SEMP PERFORMANCE MEASURES & BEST PRACTICES WORKSHOP
NEW ORLEANS – OCTOBER 27, 1999 – AIRPORT HILTON
HOUSTON – OCTOBER 29, 1999 – AIRPORT MARRIOTT

AGENDA

1.	Continental Breakfast and Registration		7:00 AM
2.	Introduction, Agenda, & Performance Measures History	Peter Velez (Shell)	8:00 AM
3.	Workshop Objectives & MMS Remarks	Chris Oynes (MMS)	8:15 AM
4.	USCG Remarks	Capt. Peter Richardson (USCG)	8:30 AM
5.	Production Personnel Safety Pacesetters		8:45 AM

Facilitators: Don Howard (MMS) & Keith Killian (Exxon)
Panel Members:
A) Jack Calhoun (OXY) < 30 MMBOE
B) Joe Sawyer (Mobil) > 30 MMBOE
C) Chip Hoiseth (Grasso) – Contract Operator

BREAK **10:20 AM**

6. Drilling Contractor Safety Pacesetter 10:40 AM

Facilitator: Ray Beittel (MMS) & Lloyd Hetrick (Cockrell)
Presenters: Doug Entrekin & Lewis Senior (Transocean)

LUNCH **11:30 AM**

7. Pollution Prevention – Oil Spill and NPDES Pacesetters 12:30 PM

Facilitators: Capt. Peter Richardson (USCG) & Gary Harrington (Newfield)
Panel Members:
A) Andy Pettit/Rick Sisk (Spirit Energy 76) > 30 MMBOE
B) Bill Anderson (Hess) < 30 MMBOE

8. INC Best Practices – How to Prepare for an INC-Free MMS Inspection 1:30 PM

Facilitators: Joe Gordon (MMS) & Mark Witten (Chevron)
Panel Members:
A) Jack Leezy (MMS) - Drilling
B) Tom Basey (MMS) - Production

9.	SEMP Audit Protocols	Charlie Duhon (Kerr-McGee) John Feducia (MMS)	2:40 PM
10.	Q&A's, Workshop Feedback, & Concluding Remarks	Chris Oynes (MMS)	3:00 PM

ADJOURN **3:30 PM**

Oxy's Operations

- 27 Platforms / 22 Operating Sites
- 17 Manned Platforms / 13 Manned Sites
- ~110 Producing Wells
- 96 Full Time Work Force
- ~55% Company Personnel

Oxy's Work Priorities

- Safety Performance
- Environmental & Regulatory Compliance
- Production Enhancement
- Cost Effectiveness
- Enhancement and Documentation through SEMP

Personnel Safety Performance

- Production
  - 850,000 + W/O LTA
- Construction - Including drilling and workover

- **Culture**

Production Safety

- Awareness
- Training
- Meetings
- Performance Incentives
- Work Force Experiences
- Management's Expectations and Involvement
- Responsible Parties
- Facilitators / Champions

Awareness
What Can Happen?

- Actual Incidents & Near Miss Distribution
  - MMS Flyers
  - Industry Flyers
  - Internal Flyers
  - Personal Experiences
  - Hearsay

Computer Based Training

- H2S
- Hazard Communication
- Hearing Conservation
- Lockout/Tagout
- Electrical Safety
- Emergency Preparedeness and Response
- Personal Protective Equipment

Computer Based Training

- Easy Installation & Test Result Monitoring
- Test Out Option (For Most)
- Optimum Learning Environment
- Very Cost Effective
- Crews Prefer It

Supplemental Training

- 1st Aid/CPR - 2 Year Frequency
- Crane Training - 4 Year Frequency
- Hands On Fire Extinguisher - Annually
- Fall Protection - 5 Year Frequency

Meetings

- Crews
  - Weekly Platform Safety Meetings
  - Work Permit Safety Meetings
- Annual Contractor Meeting
  - Contractors used in the last year
  - With Contractor Representatives
- Operators & Management
  - Quarterly @ the Major Shorebases
  - Safety, Environmental & Operations Issues

Company Personnel Incentives

- Individual Performance - Annual
  - Bonus on Contiguous Year w/o Recordable
  - Cap (10 Contiguous Years)
- Platform Team Performance - Annual
  - Both Crews Comprise Team
  - Team Member w/o Team Recordable
- Supervisor Team Performance - Annual
  - Both Supervisors + Company Direct Reports
  - Supervisor w/o Team Recordable

Full Time Contract Incentives

- Full time is a contractor on location as a regular assignment
- Individual Performance - Annual
  - Per Person w/o Recordable
- Most of Our Full Time Contractors Annually Give
  - Per Person w/o Recordable

Incentive Program Choices

- Wal-Mart Gift Certificates
  - One Size Fits All
  - Easy & Low Overhead
  - Employee's Preferred Choice
- Company Jacket
- Company Coveralls
- Write & Distribute the Program Rules

Work Force Experiences

- Average 15+ Years/Person

Management's Expectations

- Zero Incidents
  - Think First - Act Second
  - Planning
  - Overall Lowest Cost

Who is Responsible?

- Individual Crew Members
- Platform Supervisors
- Production Supervisors
- Operational Supervisor

Facilitators / Champions?

- Production Supervisors
- Operational Supervisor
- HES Advisor
- Platform Supervisors
- Individual Crew Members

Construction

- Painting
- Maintenance Welding
- Piping & Vessel Replacement

Construction Safety

- Crew Size
- Contractor Selection Process
- Platform Supervision
- Repeat Business based on Performance

Selection Process

- Overall Cost Review
  - Rate
  - Historical Work Quality, Productivity & Overall Cost
- Historical Safety Performance
  - Performance on OXY Locations
  - Industry Performance
- Desired Product & Performance
  - Safe, Productive, Quality & Cost Effective

Crew Size

- Painting: 4 Man Crew
- Welding: 2 to 8 Man Crew / Prefer 4 Man
- Working Supervisor - Safety / Dollars
- Company Supervisor: Platform Supervisor

Contractor Safety Program

Contractor Safety Program

Purpose

To select and retain cost effective contractors that have demonstrated and maintain acceptable safety performance.

Safety Program Elements and Requirements

- "New" contractors will complete a "Safety Indicators Request" form which will be reviewed for acceptable performance prior to being awarded a contract.
- Existing contractors safety performance on Company locations will be informally reviewed for acceptable performance and future business utilizing daily observation and information (morning reports, verbal information and feedback, incident reports, incident rate etc.).
- Company's safety expectations will be communicated at Company's annual significant contractor safety meeting.
- Contractors will be included in Company's safety meetings as appropriate.
- Company will have full time contractor awards and/or incentive programs.
- Company will consider and implement part time contractor awards and/or incentive programs when practical, appropriate and/or necessary.
- Written safety training requirements (Company's contractor handbook) will be communicated to contractors.
- Contractor will conduct accident investigations as requested and provide written reports including recommendations to prevent reoccurrence for accidents occurring on Company locations.
- Contractor will provide Company with a copy of contractor's injury or incident reports including reports made to government or regulatory authorities for accidents occurring on Company locations.
- Contractor pre-job and/or daily tailgate safety will be held as appropriate or necessary.

- Safety assessments of contractor operations will be performed on a selected basis as appropriate.

Recognize and Reward

- Company will attempt to formally and/or informally recognize and/or reward superior contractor safety performance when associated with superior overall contractor performance.

- Company will attempt to formally or/or informally recognize and/or reward superior contract personnel safety performance when associated with superior overall contract personnel performance.

Safety Indicator Request Form

The "Safety Indicators Request" form includes an indication of how contractor's insurance company has rated its losses based on the workers compensation experience modifier rate (EMR). Rates below 1.00 indicate the insurance carrier considers the contractor to be a below average risk for their type work.

Post-Well Safety Evaluation

The "Post-Well Safety Evaluation" provides a method of assessing the safety performance of a site-specific operation and proves a "snapshot" of the work as it was actually performed. The evaluation is conducted by a Company representative and is based on the level of compliance observed as compared to the written criteria. This is a weighted-average method which quantifies assigned numerical values and develops a score based on safety expectations. The criteria are ranked relative to their safety importance. A ratio is then calculated which provides a relative numerical percentage ranking. This evaluation may then be considered when awarding future drilling or well servicing contracts rigs/crews. Also, this information should be discussed with the contractor's representative as a method to communicate safety expectations and improve safety performance.

Any Corporate Procedures regarding contractors should be reviewed with this document.

Attachments:
- Comparing and Selecting Safe Contractors
- Safety Indicators Request Form
- Post-Well Safety Evaluation Form

Comparing and Selecting Safe Contractors

One way to determine the difference between contractors regarding safety values is to use indicators that resulted from research performed by Stanford University, Dept. of Civil Engineering, for the Business Roundtable Construction Industry. The three indicators, listed in order of importance, are:

1) **PAST SAFETY RECORD. Examine the contractor's workers' compensation and OSHA experience. Worker's compensation experience is reflected in the experience modification rate (EMR), Which is the ration of actual losses to expected losses over a three-year period. It reflects the average loss experience for the previous three years and is a good indicator of a contractor's past safety performance and for comparing contractors who perform similar work.**

   a) **Experience Modification Rate**

   $$\text{EMR} = \frac{\text{Actual Losses}}{\text{Expected Losses}}$$

   EMR for construction contractors ranges from 0.3 to 2.0. It is not uncommon for contractors in the same industry to have significantly different EMRs.

   b) **OSHA Incidence Rate. Two OSHA incidence rates can be calculated from data furnished by the bidder.**

   The first relates to frequency:

   $$\frac{\text{No. of Injuries and Illnesses x 200,000}}{\text{Total Hours Worked by All Employees During Period Covered}}$$

   An OSHA severity rate can be calculated as follows:

   $$\frac{\text{No. of Lost Work Days x 200,000}}{\text{Total Hours Worked by All Employees During Period Covered}}$$

2) **MANAGEMENT SAFETY ACCOUNTABILITY. Accountability is a key element in managing a safety program. If managers cannot "get in trouble" for poor safety performance, the program will likely fail. Individual performance is a key element in a successful management program. The Business Roundtable suggested evaluating performance based on the following information:**
   - a) **The recipients of accident reports and frequency distribution of reports (field superintendent, vice president of construction, firm president).**
   - b) **Frequency of safety meeting for field supervisors.**
   - c) **Frequency of project safety inspections and the degree to which they include project and field superintendents.**
   - d) **Compilation method for accident records and the frequency of reporting. Those contractors that subtotal accidents by superintendent and foreman, rather than by company, have a more detailed accountability system.**
   - e) **Compilation method for accident costs and the frequency of reporting. Again, greater accountability comes from a more detailed system that measures project accident costs of superintendents and foremen.**

3) **FORMAL SAFETY PROGRAM. Components of a contractor's safety program found to be associated with better safety performance are:**
   - a) **Orientation of new workers and foreman**
   - b) **Frequency of toolbox meetings**
   - c) **Existence of a written safety program**

Safety Indicators Request Form

Company USA Inc. places a high-level of importance on safety for our employees, contractors and the public. We believe a review of your safety record, management accountability and safety program will provide key indicators to use in our contractor selection process as well as how we may work as a Team to achieve our safety expectations. The attached "Safety Guidelines for Contractors" is available for your employees prior to performing work for Company USA Inc. Thank you!

PART "A": Your Safety Record

1. **Company Name:** _____ **Phone: ( )** _____ **Date:** _____

   Address: _____

   City: _____ **State:** _____ **Zip:** _____

   # of Employees: _____ **Safety Contact Name:** _____

   Please list the geographic area this information covers. (ex. Offshore, entire Company, etc)

   _____

2. **Workers Compensation Insurance Company** _____

   Agent: _____ **City:** _____ **Sate:** _____ **Phone: ( )** _____

   Experience Modifier Rate (EMR) - (Most current and two previous periods)

   Current _____ **Previous (1)** _____ **Previous (2)** _____

   Note: If EMR is 1.0 was it because your Company was too small (or too new) to calculate an EMR? _____

   Standard Industrial Classification (SIC) Code Four-Digit Number: ___ ___ ___ ___

   Industry Classification: (Type of Business) _____

3. **Injuries/Illnesses/Lost-Work Days: (Current Year-to-date plus two previous years)**

YEAR	19___ (YTD)	19 ___	19___
Number of Employees			
Hours Worked			
Injuries/Illnesses			
Lost-Work-Days			
Calculate Incident Rate (IR)			
Calculate Severity Rate (SR)			
OSHA citations, if any			

If you need assistance in calculating rates, please contact the Company representative requesting the information.

IR = $\frac{\text{\# of Injuries/Illnesses X 200,000}}{\text{Hours Worked}}$	SR= $\frac{\text{\# of Lost-Work Days X 200,000}}{\text{Hours Worked}}$

PART "B": Management Accountability

1. "When" are accident reports reviewed: (Frequency)

	Safety Person	Immediate Supervisor	Manager	Vice President	President	Other
As Occurring:						
Weekly:						
Monthly:						
Quarterly:						
Yearly:						

2. "WHO" is responsible for accident reviews, investigations and corrective actions?

	Safety Person	Immediate Supervisor	Manager	Vice President	President	Other
Review:						
Investigation:						
Corrective Action:						

3. "HOW OFTEN" do your Field Supervisors participate in employee Safety Meetings?
   Pre-Job _____Weekly _____ Monthly_____ Quarterly _____ Other _____

4. "HOW OFTEN" are on-site Field Operations Safety Inspections conducted?
   Pre-Job _____Weekly _____ Monthly_____ Quarterly _____ Other _____

5. "WHAT" percent of on-site safety inspections do your Field Supervisors participate in?

   0 25 50 75 100

   |_____|_____|_____|_____|

6. To "WHICH" budget location are your accident cost charged against?
   Local operations budget _____ Your Corporate budget_____

7. Indicate your compliance level with Company's "Contractor Safety Guidelines Manual"
   a) Copies Received? Yes_____ No_____
   b) Reviewed with your personnel prior to Company work? Yes_____ No_____
   c) Employees have returned signed page to Company supervisor? Yes_____ No_____

PART "C": Your Safety Program

	Yes	No
Do you have a written Safety Policy signed by Management?		
Do you provide Safety Orientation to new Employees prior to working for Company?		
DO you provide your employees with Safety Training?		

Indicate if your employees are trained in the following?	Yes	No
Hazard Communication OSHA Standard		
Lock, Tag Out, OSHA Standard		
Electrical Hazards		
Offshore Employee Orientation		

1. **What type of personal protection equipment do you furnish to your employees?**

_____

_____

2. **Audit Agreement:** **Company USA Inc. may request to review your records to verify information contained in this report. Also, Company may conduct on-site reviews of your work operations.**

Approval Granted: Name_____ **Title**_____

3. **Person Completing Safety Indicators Request:**
Name:_____ **Title:** _____ **Phone: ( )**_____

4. **Please provide any comments you wish to add regarding your Safety Program or about this request.**

_____

_____

_____

_____

1999 SEMP Performance Measures and Best Practices Workshop

Personnel Safety Performance

Mobil

October 27th and 29th, 1999

1999 SEMP Performances Measures and Best Practices Workshop

Personnel Safety Performance

Agenda

- Company Profile
- Personnel Safety Activities
- Closing

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1999 SEMP Performances Measures and Best Practices Workshop

Personnel Safety Performance

Company Profile

- Number of Platforms (122)
  - 51 Major
  - 71 Minor
- Mixture of New and Old Platforms
- Production (Gross Operated)
  - 486 MMSCFD
  - 37,100 BOPD
- Permanent Employees 680
- Offshore Contract Positions 34

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1999 SEMP Performances Measures and Best Practices Workshop

Personnel Safety Performance

- Management Strategies
  - Environmental, Health and Safety Management Systems (EHSMS).
    - List of Expectations.
    - Expectations are assigned to accountable person.
    - Annual assessments conducted to identify gaps and Best Practices.
    - Improvement plans developed to address gaps
    - Best Practices shared with organization.
    - Leadership recognizes the correlation between excellent EHS performance and strong business results.

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1999 SEMP Performances Measures and Best Practices Workshop

Personnel Safety Performance

- Strong Company Commitment to SEMP.
  - Started Implementation in 1994.
  - 16 employees assigned to implementation team.
  - Developed electronic SEMP process which includes:
    - Management of Change (MOC) Process.
    - Online Platform Drawings.
    - Operating & Maintenance procedures.
    - Training program.
    - Links to other databases.

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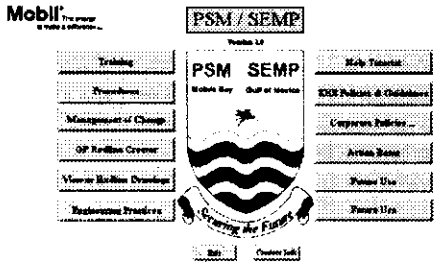
1999 SEMP Performances Measures and Best Practices Workshop
Personnel Safety Performance



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1999 SEMP Performances Measures and Best Practices Workshop

Personnel Safety Performance

- Developed an EHS Incident Database.
  - Database is utilized to:
    - Perform trend analysis of incidents.
    - Develop action plans for continuous improvement.
    - Develop a monthly EHS Scorecard.

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1999 SEMP Performances Measures and Best Practices Workshop

Personnel Safety Performance

- Improved Near Miss reporting.
  - Identified barriers for reporting.
  - Developed educational system for employees.
  - Management is a strong driver for Near Miss reporting.
  - Near Miss reporting improved from 15 in 96' to over 300 in 98'.
  - Near Miss analyses are performed to focus resources.

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1999 SEMP Performances Measures and Best Practices Workshop

Personnel Safety Performance

- Detailed Formalized Investigation Process.
  - Utilize "TapRoot" process.
  - Trained approx. 40 employees on the process.
  - Process identifies chain of events and conditions leading to the incident.
  - Process then identifies "Causal Factors" and "Root Causes" of the incident.
  - Corrective Actions are developed based on "Root Causes" and tracked electronically to closure.
  - Lessons learned from the investigations are shared electronically with other Business Units via Mobil's "BestNet Incident Reporting System."

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1999 SEMP Performances Measures and Best Practices Workshop

Personnel Safety Performance

- Developed "Closure Tracking Database"
  - Database is utilized to track various items to closure.
  - Database is Lotus Notes based and utilizes email system to notify responsible person.
  - Database sends out automatic reminders.
  - Database notifies supervisor if the specified action is not completed.
  - Database notifies Action Initiator that item is complete and needs reviewed and closed out.

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1999 SEMP Performances Measures and Best Practices Workshop

Personnel Safety Performance

- Improved Contractor Safety Program.
  - Contractor Pre-selection process models API RP 2221 Implementing a Contractor Safety and Health Program.
  - Specific training requirements based on job titles.
  - Pre-job meetings to review EHS requirements.
  - Detailed Safety Orientation.
  - Morning meetings to discuss work activities.
  - Permit to Work system for non-routine jobs.
  - Contractor Field Safety Evaluations.

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1999 SEMP Performances Measures and Best Practices Workshop

Personnel Safety Performance

Closing

- Goal is Top Quartile EHS Performance in industry.
- Utilize Environmental, Health and Safety Management System (EHSMS) to achieve Top Quartile EHS Performance.

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1999 SEMP Performances Measures and Best Practices Workshop

Personnel Safety Performance

Closing

- Any Questions?

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Contractor Safety training Requirements

Job Title(s)	Contractor SafetyTraining Requirements																										
	Bloodborne Pathogens	First Aid *	HazCom	Energy Control	Electrical Safety	Confined Space Entry	Fall Protection	Proper PPE usage	Hearing Conservation	Incipient Fire Fighting	Crane Operations	Facility Safety Orientation	HazWoper (Level 1-4) **	Hot Work	Water Awareness/Survival***	Rigging (Hoist, Sling, & Chain Safety)	Respiratory Protection	H2S (Mobile Bay Operations)	PSM/SEMP Overview	Industrial Power Trucks	Spill Prevention Countermeasures & Control	D O T Hazmat Employee HM 126F	Well Control (30 CFR Subpart O)	NPDES	Excavation Safety	Scaffold Safety
Training Frequency (years)	A	3	A	A	I/R	A	I/R	A	A	A	I/4	A	A	I/R	1/4	I/R	A	I/R	-	I/R	A	1/3	2	A	I/R	-
1. Construction / Labor																											
Crane Operator	X	X	X					X	X		X	X			X	X		X	X							D
Crane Rigger	X	X	X				D	X	X			X	1		X	X		X	X							
Deckhand (Service Boat Companies)	X	X	X					X		X			1		X	X		X								
Diving				X								D			X	X			X							
Electrician			X	X	X	D	D	X	X	X		X	1	X	X			X	X							D
Excavation/Ditching	X	X		D			D	X	D	D		X	1			D		D	X						X	
Insulator	X	X	X				X	X	D			X	1		X		D	X	X							X
Pipe Fitter	X	X	X	X	D	D	X	X	X	X		X	1	X	X	X	D	X	X							D
Roustabout/Construction	X	X	X	X	X	D	X	X	X	X	D	X	1	X	X	X	D	X	X	D					D	D
Welder	X	X	X	X	X	D	D	X	X	X		X	1	X	X		D	X	X						D	X
Welder Helper			X			D	D	X	X	X		X	1	X	X	D	D	X	X						D	X
2. Well Servicing / Workover ****																											
Well Servicing Supervisor *	X	X	X	X		X	X	X	X	X		X	1	X	X		D	X					X*	X		
Well Servicing Crew *	X	X	X	X		X	X	X	X	X	X	X	1	X	X	X	D	X					X*	X		
Workover Tool Pusher	X	X	X	X		X	X	X	X	X		X	1	X	X		D	X					X	X		
Workover Crew	X	X	X	X		X	X	X	X	X	X	X	1	X	X	X	D	X					X	X		
Derrickman	X	X	X	X		X	X	X	X	X	X	X	1	X	X	X	D	X					X	X		
Crane Operator	X	X	X	X		?	X	X	X	X	X	X	1	X	X	X	D	X					X	X		
3. Contracted Operators																											
Production Operator	X	X	X	X	X	X	X	X	X	X	X	X	3	X	X	X	X	X	X	D		X		X		X
4. Maintenance / Painting																											
Asbestos Abatement	X	X	X			D	D	X				X	1		D		X	X	X							D
Instrument Technician			X	X	X		D	X	X			X	1	D	X			X	X							D
Lead Abatement	X	X	X			D	D	X	X			X	1		D		X	X	X							D
Painting/Coating	X	X	X	D		D	X	X	X	X		X	1		X		X	X	X							X
Pressure Relief Valves (Testing,Repair, Inspection)			X	X			X	X	X			X	1		X			X	X							D
Safety Inspection Services (i.e., Fire Protection, SCBA)			X	X	X			X	X	X		X	1		X			X	X							
Sandblasting	X	X	X	X			X	X	X			X	1		X		X	X	X							X
Vessel Cleaning/Steaming	X	X	X	X		X	D	X	X			X	1		X		D	X	X							D
Welding/X-Ray (NDT)	X	X	X	D		D	D	X	X	X		X	1	X	X			X	X						D	D
5. General																											
Catering	X	X	X							X		X			X		D	X	X							
Consulting Engineering			X	D		D	D					X			(H)		D	X	D						D	D
Consulting Supervisor/Inspector			X	X		D	D	X				X	1	X	D	X	D	X	D						D	D
Rescue Services	X	X	X			X	X	X				X	1		(H)			X	X							
HazWoper/Environmental Clean Up Contractor	X	X	X					X	D	X		X	4		X		X	X								
Marine Base Labor (shipping,hazardous waste)	X	X	X		X	X		X	D	X	X		3	D		X	D	X		X	X	X				
IH Monitoring			X					X	X			X			(H)			X								
Janitorial Services			X					X				X			(H)			X								
Vendor Supplying Incidental Services (ie, copy repair, galley services, clerical)												X			(H)			(E)								
Visitor/Foreign Resident												X			(H)			(E)								

* = Minimum 1 person trained per crew

** = 1-First Responder Awareness Level, 2-First Responder Operations Level, 3-Hazardous Materials Technician, 4-Hazardous Materials Specialist

*** = Water Awareness training does not include escape from helicopter

**** = Includes Snubbing & Coil Tubing Operations

"D" = Depends if work requires this type of training

"X" = Mandatory requirement

"I" = Indicates Initial training

"R" = Indicates Refresher training based upon changes in chemicals/processes.

"A" = Indicates Annual/refresher training

(H) = Review provided by Pilot/Boat Capt.

E = Mobil escort at all times

1999 SEMP Performance Measures and Best Practices Workshop

Operational Quality Though Continual Safety Improvement

Operational Quality Though Continual Safety Improvement

Agenda

- Introduction
- Management of Safety Fundamental Elements
- Communication
- Operational Quality
- Summary

Profile

- Established in 1980
- 600 Personnel - Operating
  - 110 Manned Major Facilities
  - 50 Unmanned Major Facilities
  - 78 Minor Facilities
- Services Offered
  - Production Management
  - Contract Personnel (Operators, Mechanics, I&E Technicians, Drilling & Production Clerks and Shorebase Dispatchers)
  - Medic Systems (EMT-Paramedic)
  - Transportation Services
  - Engineering Services

Management of Safety Fundamental Elements

- Identification of our Goals & Objectives
- Self Assessment and Audits
- Performance Based Behavioral Safety
- Measurements and Process Indicators
- Accountability and Performance Based Objectives

- **Identification of our Goals & Objectives**

  - Specific Job Qualifications and Skills

  - Specific Training (i.e. H_2S)

  - Review Facility Inspections, available Hazards Analysis, any Compliance Audits and Incident Reviews

  - Customer Feedback Provides Contract Specific Expectations

- **Self Assessment and Audits**

A continual, ongoing process to identify systems needing improvement using;

- **SEMP Program**
- **Policy / Procedural Reviews**
- **Regulatory Review**
- **Training Curriculum Meets Contract / Employee Needs**
- **Communication / Reporting Systems**
- **Inspection Data**

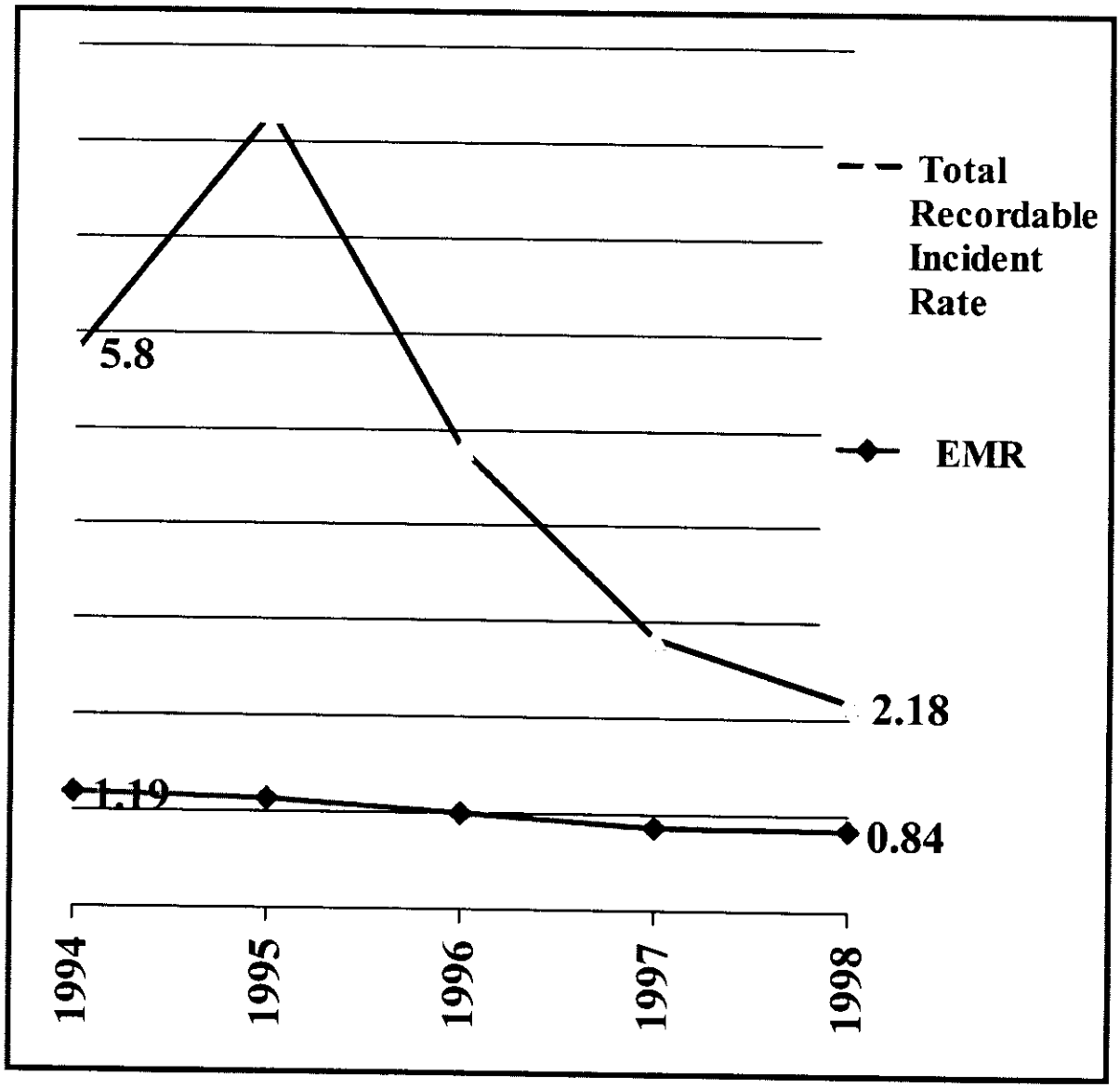
- **Performance Based Behavioral Safety**

  - Observation Reports
  - Safety and Training Bonus
  - Recognition and No INC Awards
  - Safety Policies / Procedures
  - Employee Training

- **Measurements and Process Indicators**

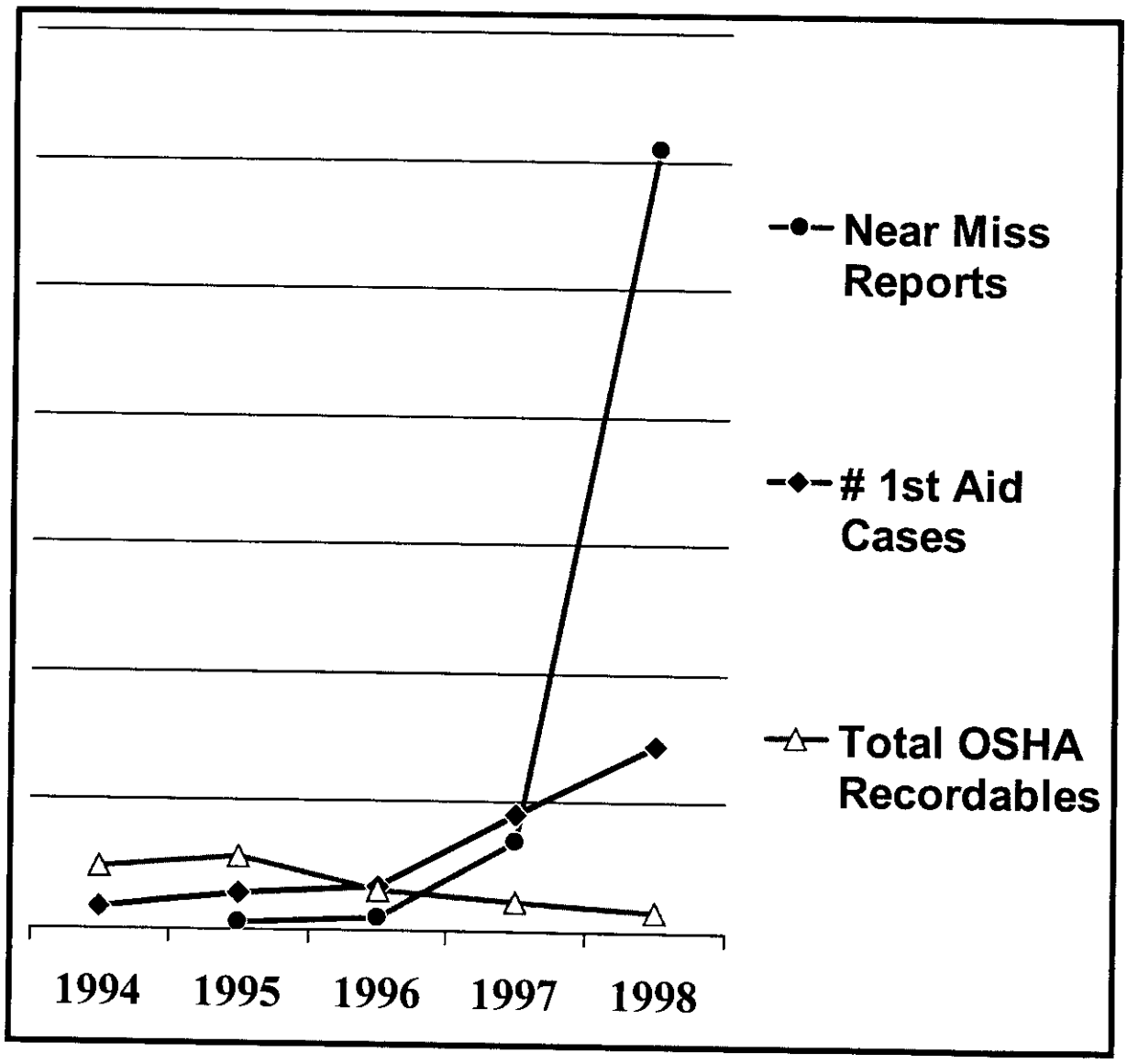
  - Experience Modifiers
  - Near Miss Reports
  - First Aid / Incident Reports
  - Observation Reports
  - Incident Trend Analysis
  - OSHA Recordables
  - Incident / Severity Rates
  - Regulatory Interactions

Grasso Production Management
Safety Statistics

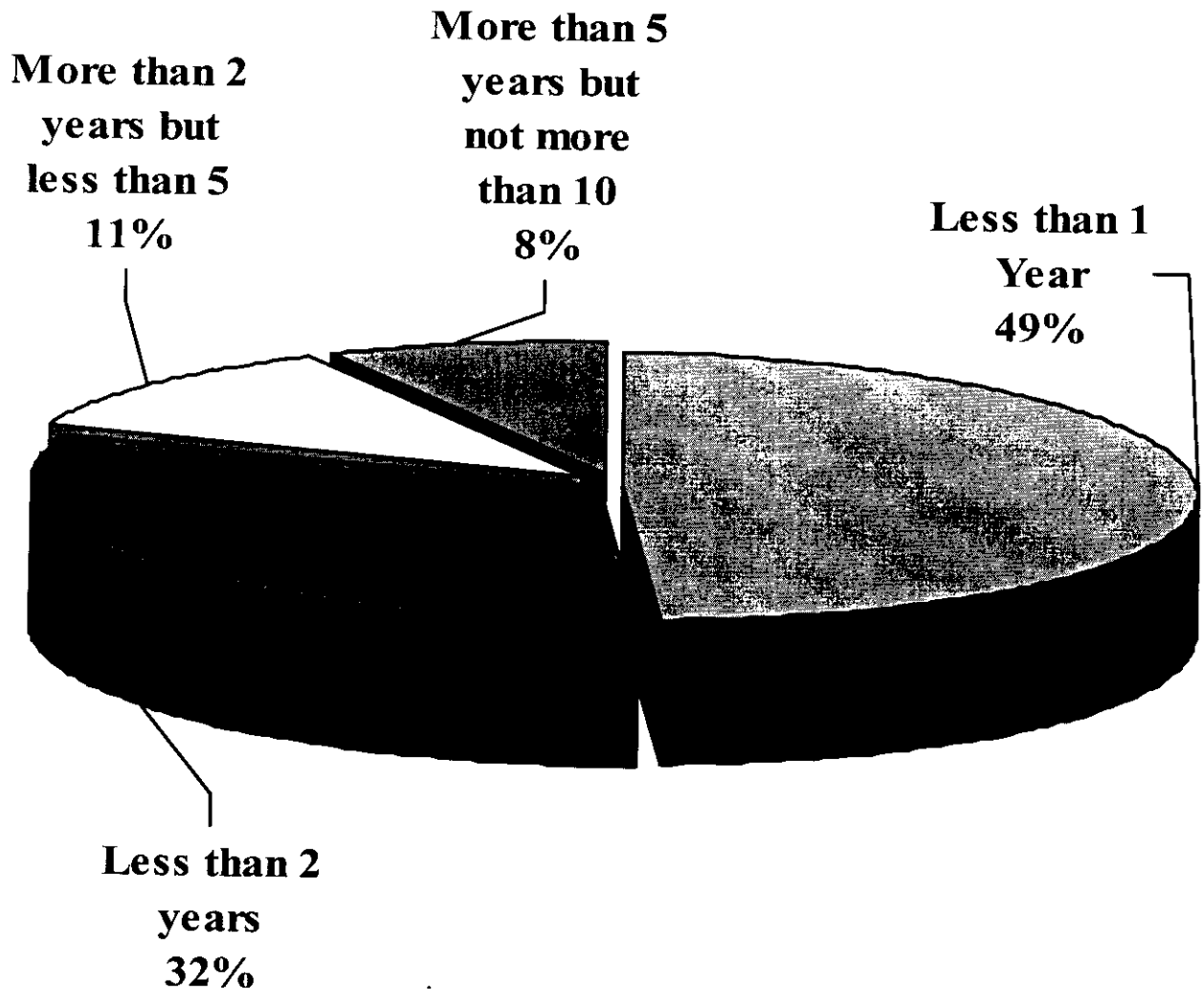


Total Recordable Incident Rate is calculated using the formula outlined by the Bureau of Labor Statistics including all incidents defined as "Recordable" in 29 CFR 1904 as well as those incidents that occur in Federal Waters.

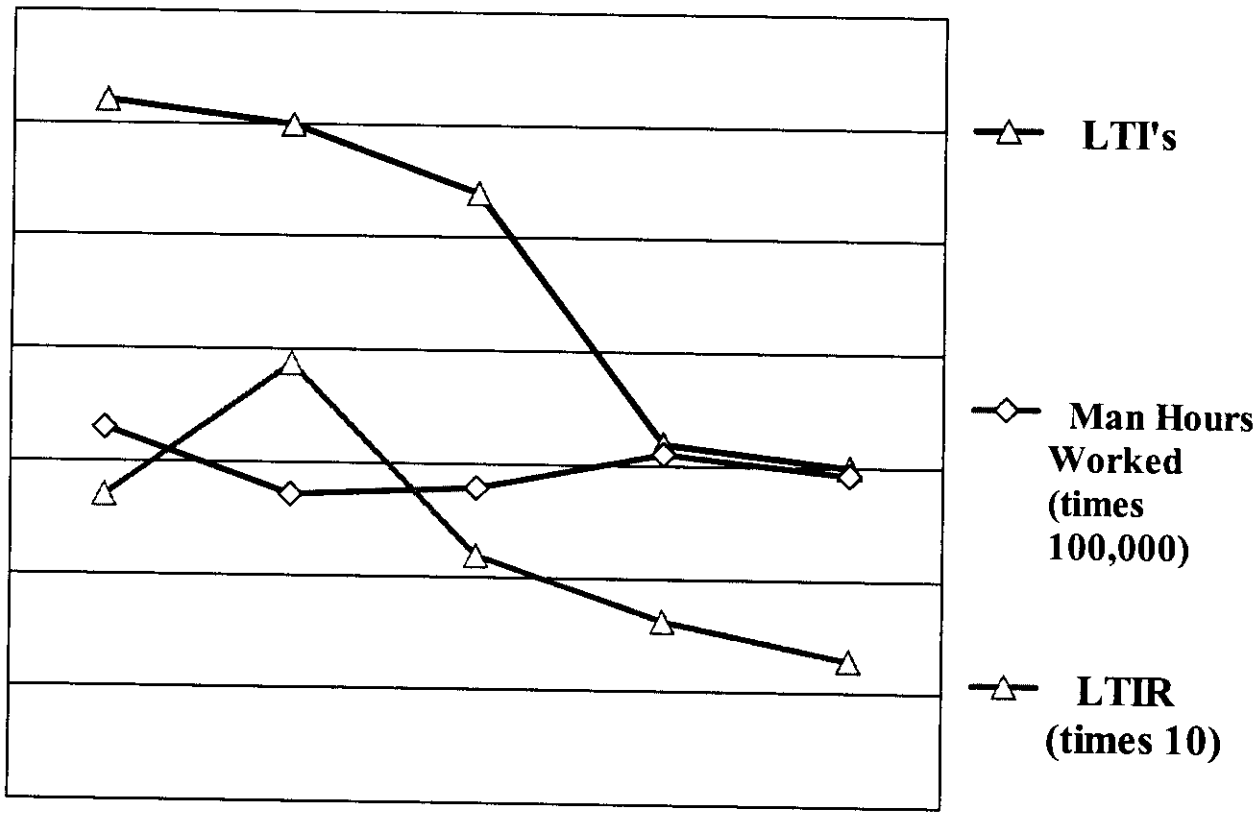
OSHA Recordables, First Aid Injuries and Near Miss Reports



Tenure of Individuals Involved in Incidents



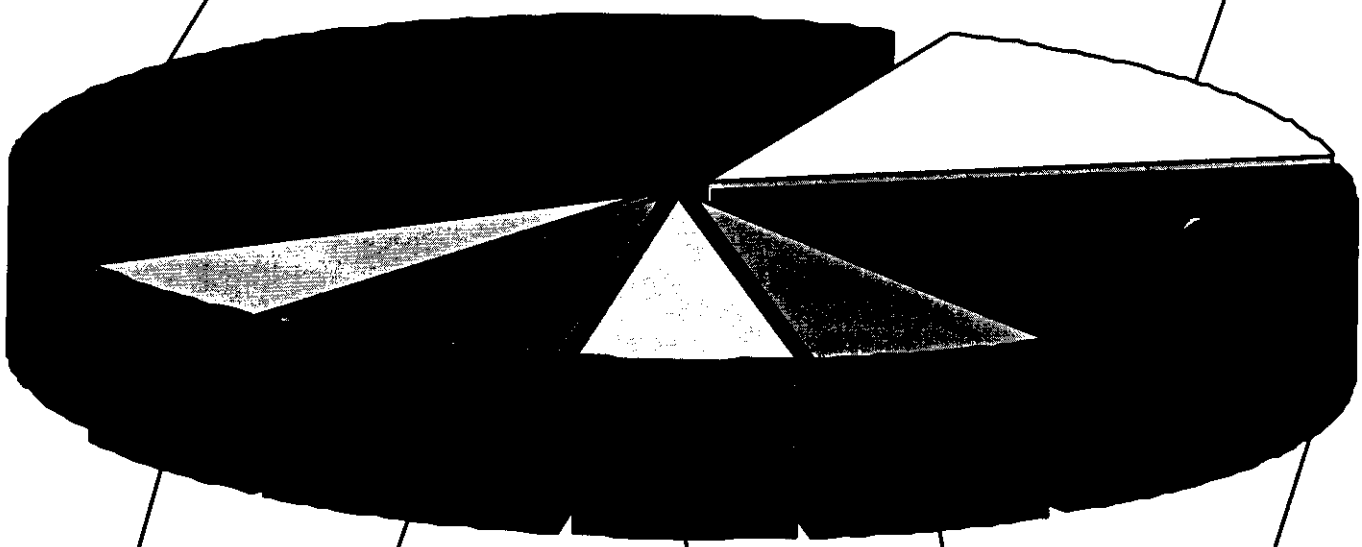
GPM's Lost Time Incident Severity Rate (LTIR) vs. Lost Time Incidents (LTI) Related to the Total Man Hours Work



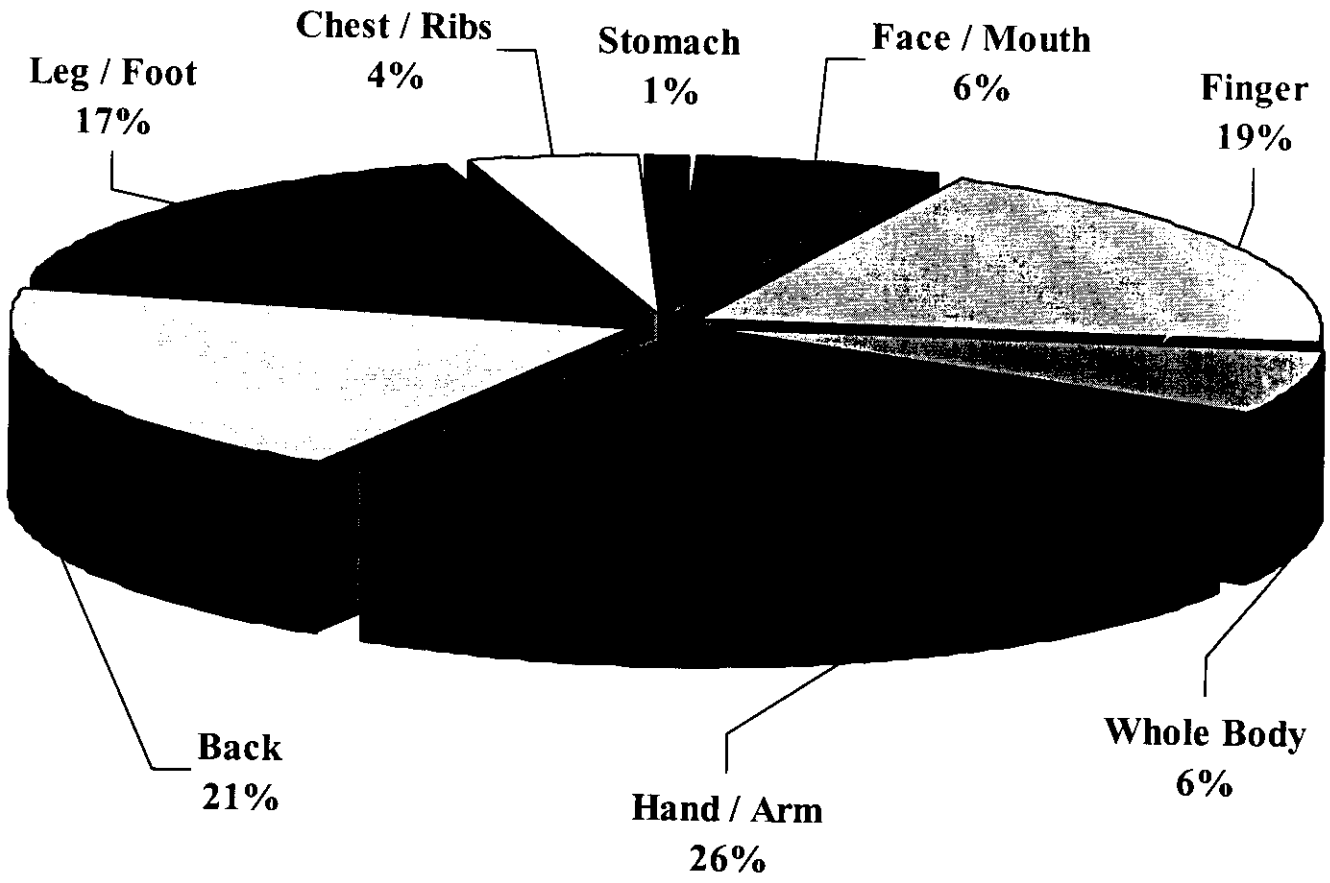
LTI = Number of OSHA Recordables with Lost Work Days and / or Restricted Duty

LTIR = Total number of days lost * 200,000 / Total Man-hours Worked

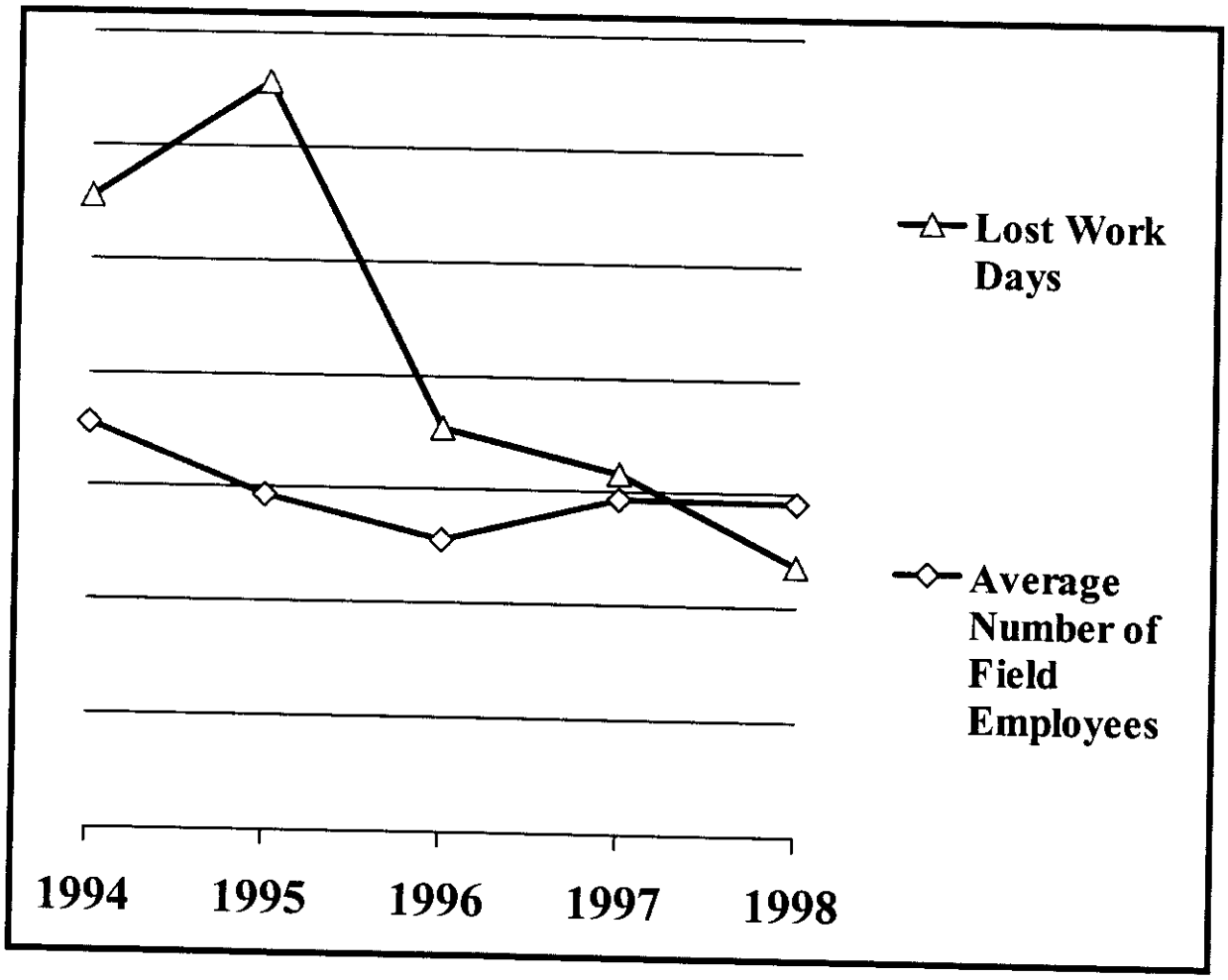
Types of Incidents



Body Part Affected



Lost Work Days Vs. Workforce



Accountability and Performance Based Objectives

- Performance Reviews
- Performance Bonus
- Safety & Training Bonus
- Merit Increase
- Field Supervisor Accountability
- Crew Accountability
- Management Accountability

Operational Quality Though Continual Safety Improvement

Communication

- New Employee Orientation
- Scheduled Training
- Workforce Mailouts
- Safety Alert Memos
- Fields Supervisor / Lead Operators Schools
- Crew Changes

TRAINING	FREQUENCY	I	II	III
T-1 New Hire Orientation – Awareness Level				
• Accident Investigation	I	x	x	x
• Back Injury Prevention	I	x	x	x
• Control of Hazardous Energy (Lock Out/Tag Out)	I	x	x	x
• Environmental Awareness	I	x	x	x
• Electrical Safety Awareness	I	x	x	x
• Fall Prevention/Protection	I	x	x	x
• Fire Prevention/Protection Awareness	I	x	x	x
• Hazard Communication	I	x	x	x
• Orientation & Safety for Offshore Industry	I	x	x	x
• Offshore Personnel Transfers	I	x	x	x
• Personal Protective Equipment (PPE)	I	x	x	x
• SEMP Awareness	I	x	x	x
• Transportation Safety	I	x	x	x
T-2 Production Safety Systems Basic	3	x	x	
Basic Safety Training Program (BSTP) – Awareness Level				
• Abrasive Blasting	2	x	x	x
• Accident Investigation	2	x	x	x
• Asbestos Awareness	2	x	x	x
• Benzene / Carcinogens Awareness	2	x	x	x
• Bloodborne Pathogens	2	x	x	x
• Confined Space Entry – Awareness Level	2	x	x	x
• Control of Hazardous Energy (Lock Out/Tag Out)	2	x	x	x
• Electrical Safety – Awareness Level	2	x	x	x
• Environmental Awareness	2	x	x	x
• Fall Prevention/Protection	2	x	x	x
• Fire Prevention/Protection	2	x	x	x
• Hazard Communication	2	x	x	x
• Hearing Conservation	2	x	x	x
• Hydrogen Sulfide (H2S) Awareness	2	x	x	x
• NORM (Naturally Occurring Radioactive Material)	2	x	x	x
• Personal Protective Equipment	2	x	x	x
• Respiratory Protection	2	x	x	x
• Water Survival – Awareness Level	2	x	x	x
• Work Permits	2	x	x	x
Crane Operator/Rigging	2	x	x	x
CPR / 1st Aid	2	x	x	x
DOT / Hazardous Materials Transportation	2	x	x	x
Job Site / Specific Training				
• Emergency Drills	M	x	x	x
• Emergency Evacuation Plan	M	x	x	x
• Emergency Response Plan	M	x	x	x
• Forklift Safety	2			x
Field Supervisor/Lead Operator School				
• Safety Regulations/Policies	A	x		
• Human Resources Regulations/Policies	A	x		

FIELD EMPLOYEE JOB GROUPS

I	*II*	*III*
Superintendent	Operator	Base Clerk
Lead Operator	Lease Operator	Dispatcher
Foreman	Roustabout	Warehouseman
	Production Clerk	Drilling Clerk
	Technician	

Training Frequency Symbols

I = Initial	2 = Every 2 years	M = Monthly
A = Annual	3 = Every 3 years	

Operational Quality

- Job Qualifications
- Platform / Facility Start-up Inspections and Audits
- Pre and Post MMS Inspections
- SEMP Audits
- Zero Tolerance for Operating in By-Pass

Operational Quality

- Training Criteria
- Employee Accountability
- Field Supervisor and Lead Operator School
- Monitor all INC's

Closing

GPM's "Key Elements" in developing

Operational Quality Through Continual Safety Improvement is a process of incremental change which provides:

- **The Management of Safety Elements**
  - › Identification of our Goals and Objectives
  - › Self Assessment and Audits
  - › Performance Based Behavioral Safety
  - › Measurements and Process Indicators
  - › Accountability and Performance Based Objectives
- **Communication and Training Formats**
- **Operational Quality Standards**

GPM

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1999 SEMP Performance Measures and Best Practices Workshop

Drilling Contractor Safety Performance

New Orleans / Houston
October 1999

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START
TO BE
ACCOUNTABLE

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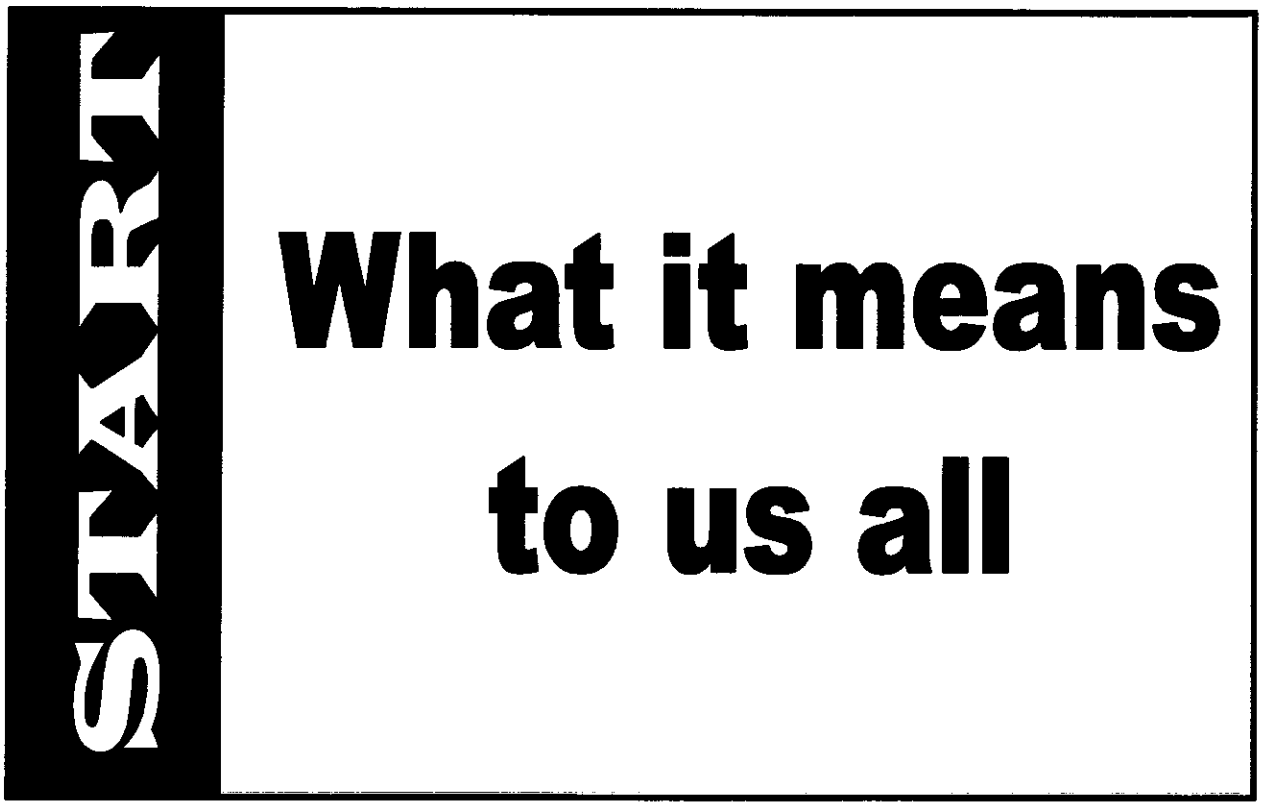
Drilling Contractor Safety Performance



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Drilling Contractor Safety Performance

20 Semi-Submersible

4 Drillships

6 Jackups

3 Dual Activity Drillships

(Countries include UK, Norway, Denmark, Spain, India, Emirates, Holland, Brazil, US, Egypt, Trinidad)

Employees: 3,800

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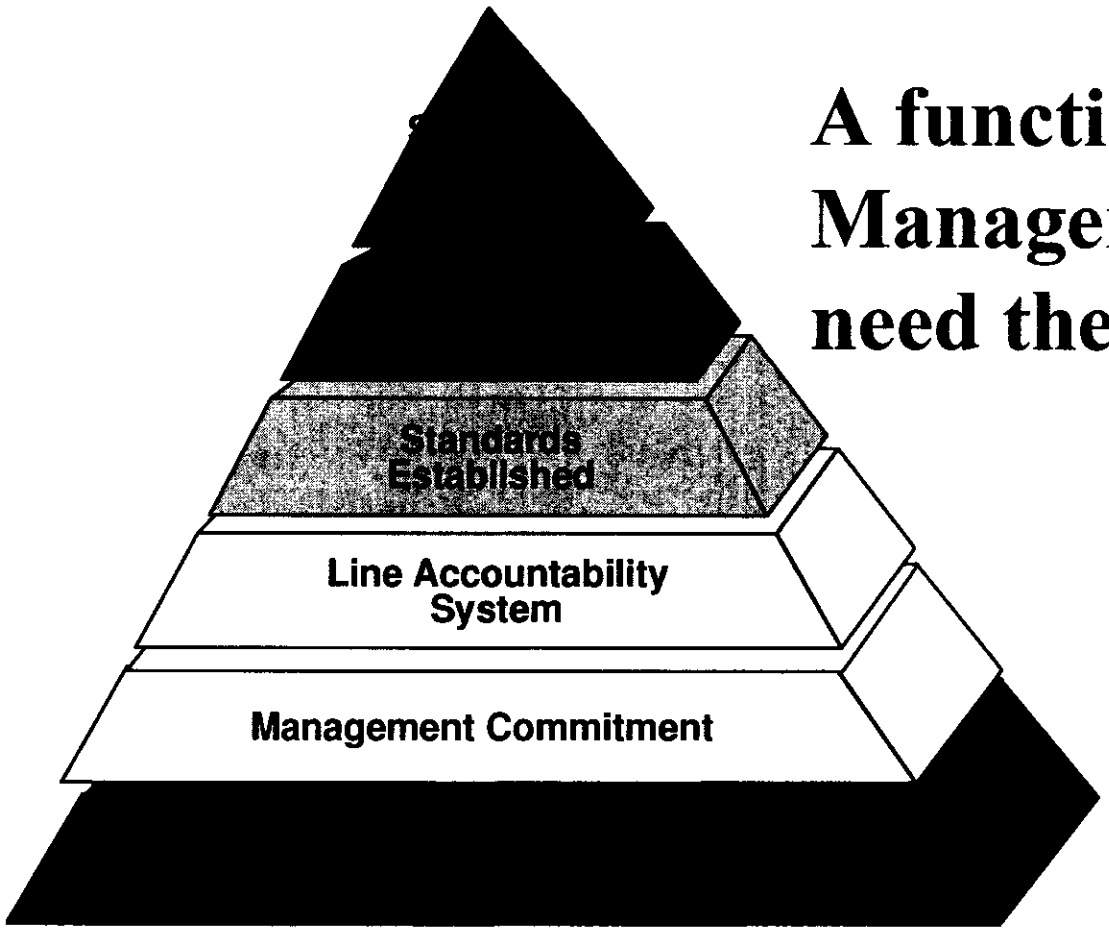

A functioning Safety Management System will need the following elements.

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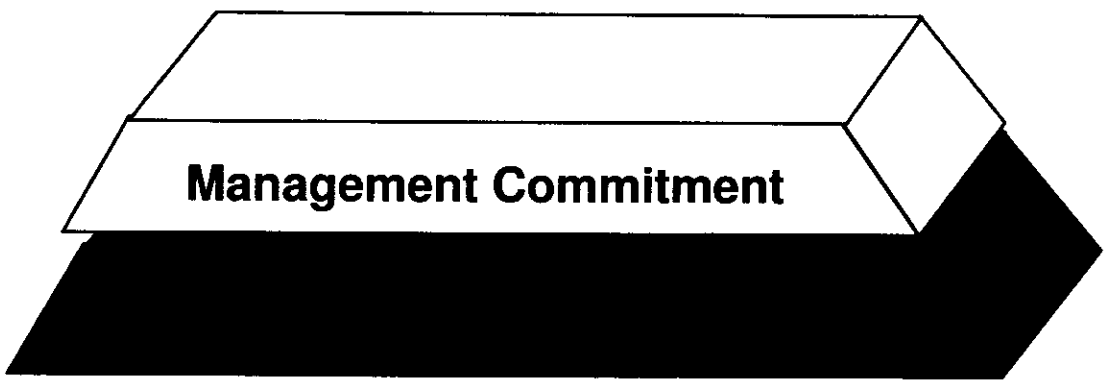
CORE VALUES:

- The heart and soul of a company
- Guiding Principles
- Will never be changed / compromised



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Financial Discipline

I ntegrity & Honesty

Respect

Safety

Technical leadership

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Up until 1996 we had a Safety Management System that had taken us to a reasonable level of safety performance yet we were not experiencing further improvement.

Brainstorming sessions with operations personnel revealed that a safety observation program was not fulfilling our needs and thus START was born.

See

Think

Act

Reinforce

Track

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START to be Accountable

Process

Observations card

Feedback

Tracking Program

START er Kit

START to Understand Each Other

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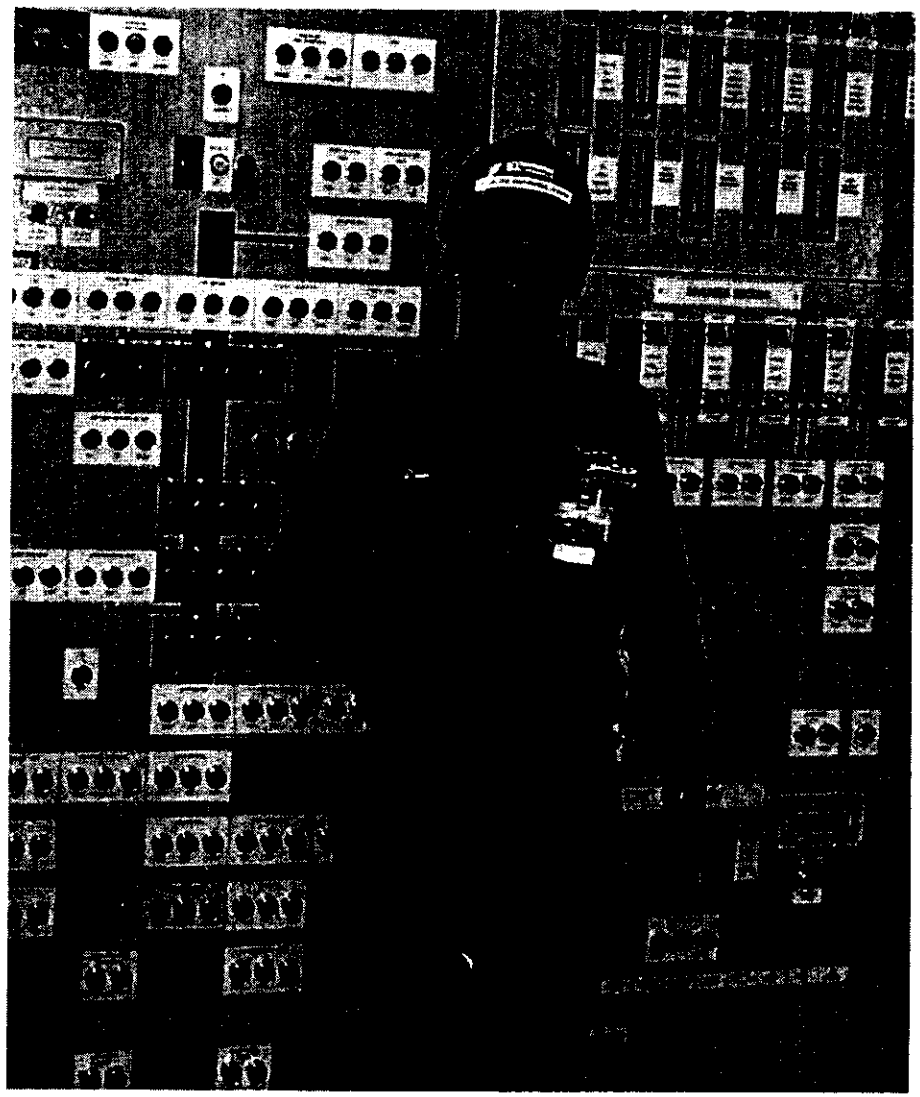

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Transocean Buy In

Management Support

Operators Support

Legislators Support

Behavioral Experts Recognition

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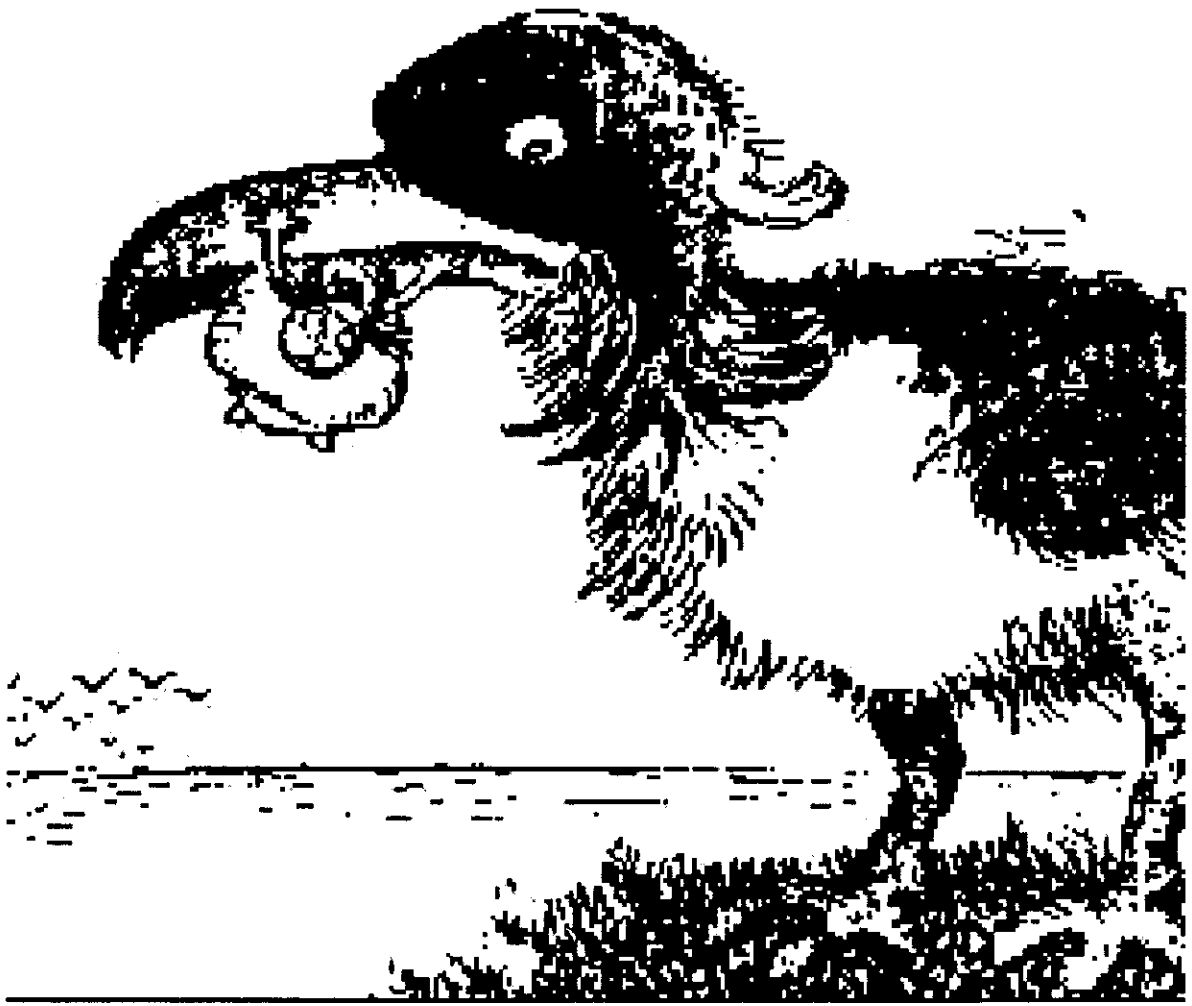

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TO BE
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START

Be FIRST

START

TO FINISH ON THE RATHER

START

With A Signed Travel Request

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START
TO BE
ACCOUNTABLE

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START

Teamwork on the Comet

START

MED DEG SELV

A SER POSITIVO

TRANSOCEAN LEGEND

Transocean

S T A R T

Your Safety needs YOU on the Transocean Leader

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START
TO BE
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BP Amoco

Transocean Enterprise

We would like to thank you for your involvement in the projects being undertaken on the Transocean Enterprise. Successful implementation of the operations being performed and the technology being utilized are critical to the future of both our companies. Together, BP Amoco and Transocean are committed to the safety and welfare of our employees and the employees of all involved in our operations. We believe in the philosophy that team work, open communication, and constant improvement will move us forward in safety and operating excellence.

The **START** Process is recognized as a proactive observation system which focuses on human behavior using positive feedback. It is in a constant state of development and improvement by the people who gain the most from a safety process - the people on the rig.

We have a vision of where **START** will take BP Amoco, Transocean, and the people associated with our operations now and in the future.

You have our full support for the successful implementation of **START** and for achieving 100% Safety Management System compliance on the Enterprise.

John Pantaleo Drilling Manager BP Amoco	Mike Hall Division Manger - Gulf Coast Transocean

STATOIL

Transocean

Transocean Prospect

We would like to thank you for your involvement in the project being undertaken on Transocean Prospect. Both Statoil and Transocean are committed to the safety and welfare of our employees and those involved in our operations. We believe in the philosophy that constant improvement will move us forward in safety and operating excellence.

The people who gain the most from a safety process recognize the START process as a proactive observation system in a constant state of development and improvement. The people on the rig.

We have a vision of where START will take Statoil, Transocean and the people associated with our operations into the future.

You have our full support to the continued success of START

Mads Grinrød
Vice President Drilling & Well Technology
Statoil

Kjell Gunnar Bjerke
Managing Director
Transocean ASA

START
with us

Drilling Contractor Safety Performance

Continued support by management and supervisors as well as workforce.

START Immersions.

Rotation of START champions.

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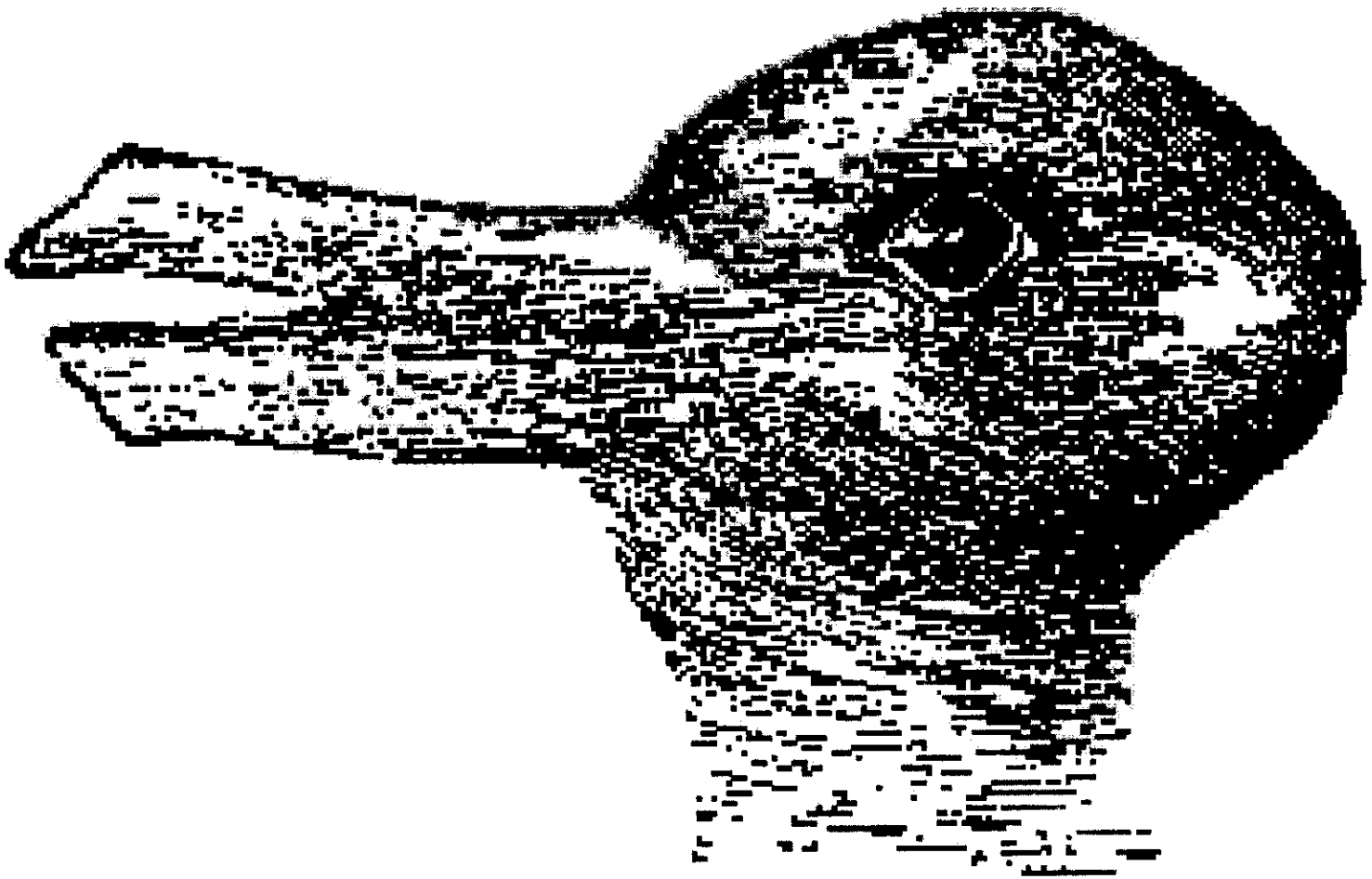
Drilling Contractor Safety Performance



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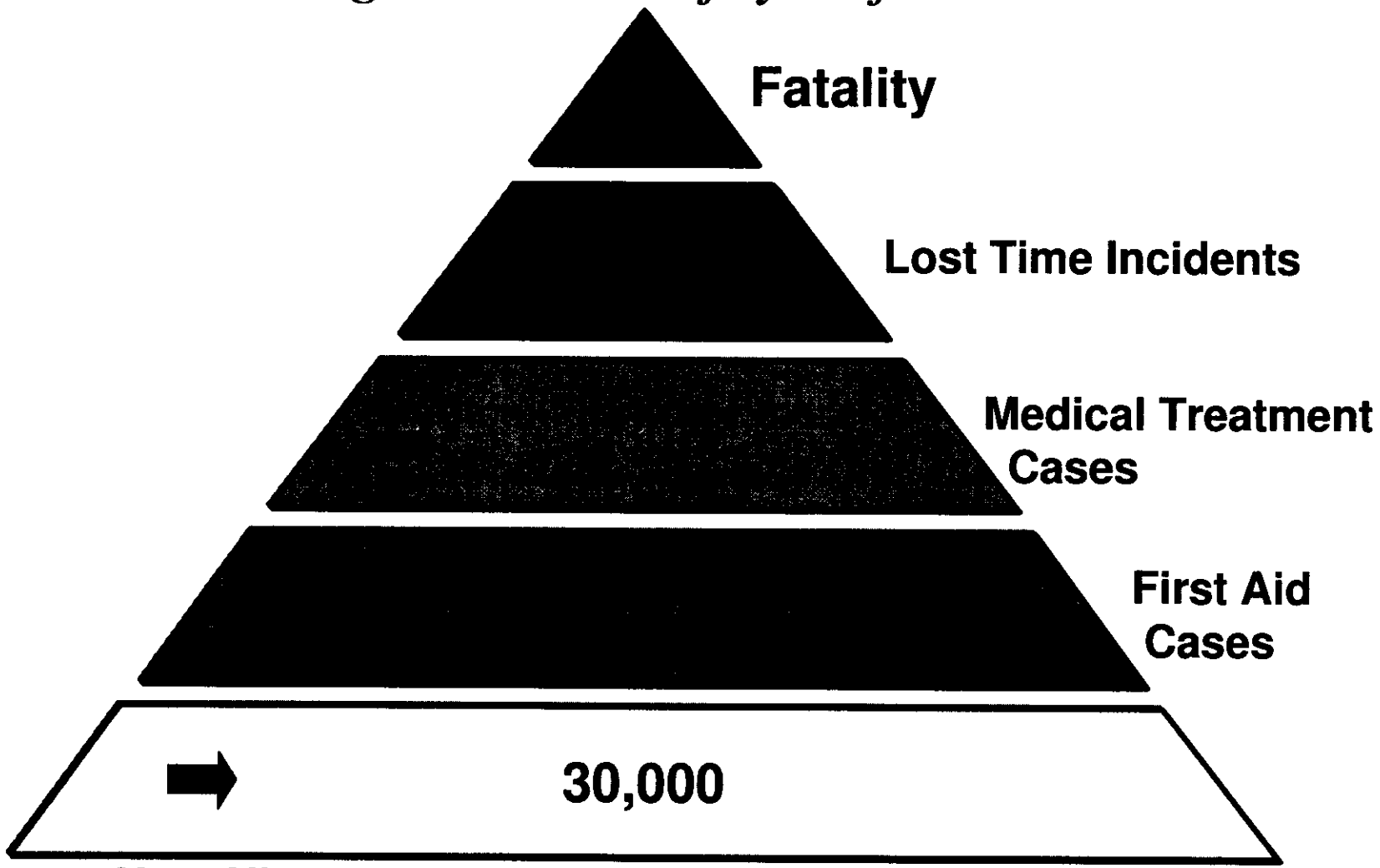

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START TO BE ACCOUNTABLE

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Drilling Contractor Safety Performance

More and more interest in the process and the continued belief that through a more consistent approach to observations and positive feedback START will continue to become part of our culture.

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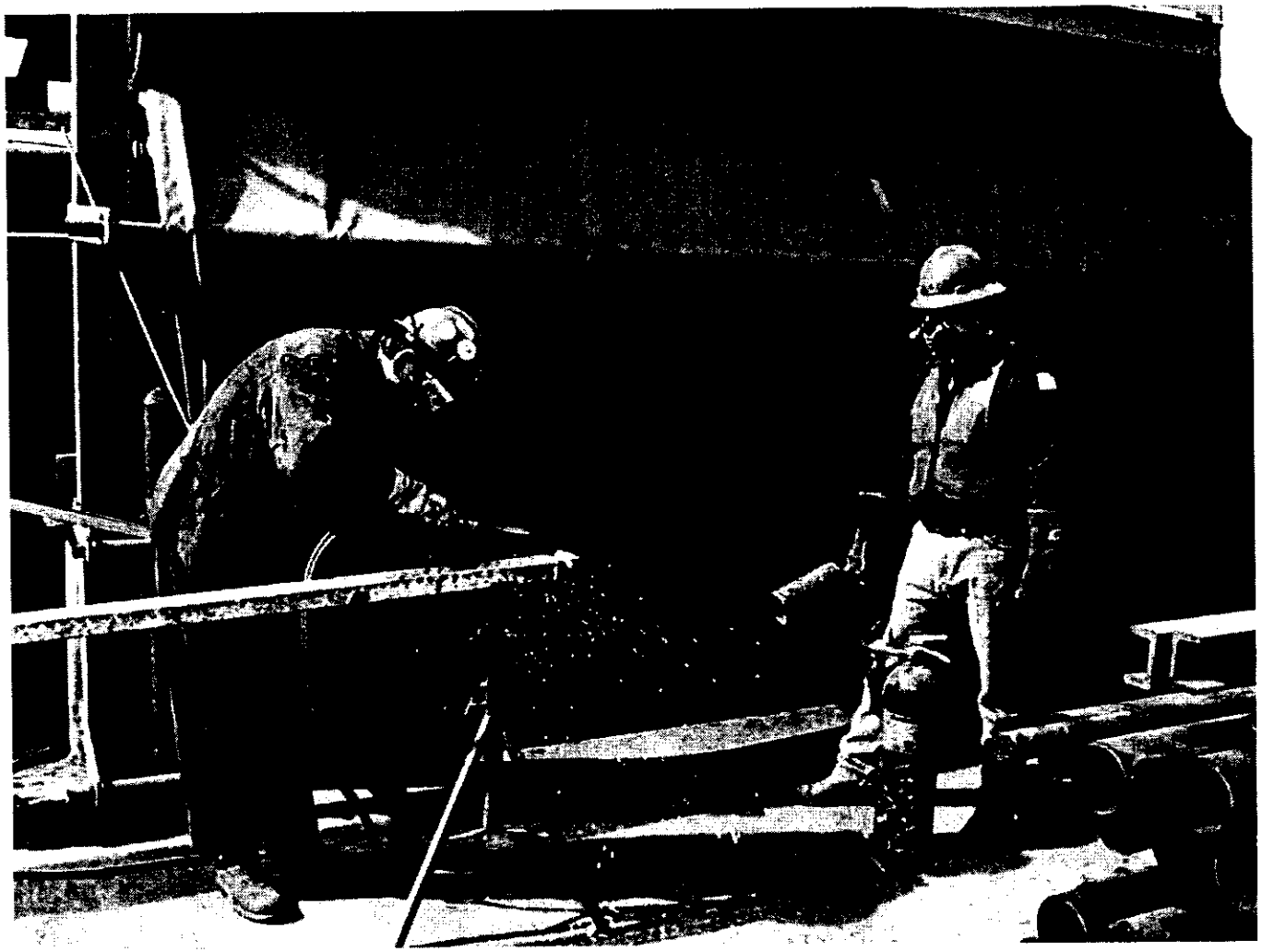

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It always was about people and it always will be about people and START is about people.

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To look is one thing. To see what you look at is another. To understand what you see is another. To learn from what you understand is something else. But to act on what you learn is all that really matters.

- Winston Churchill

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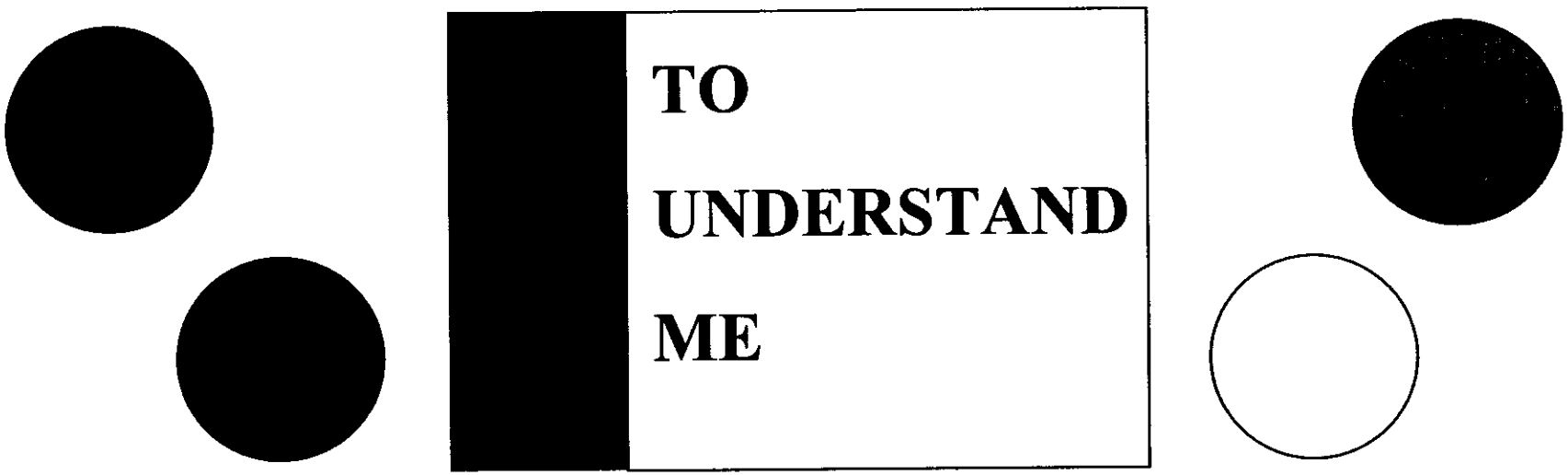

Treat people the way they NEED to be treated

PLATINUM RULE

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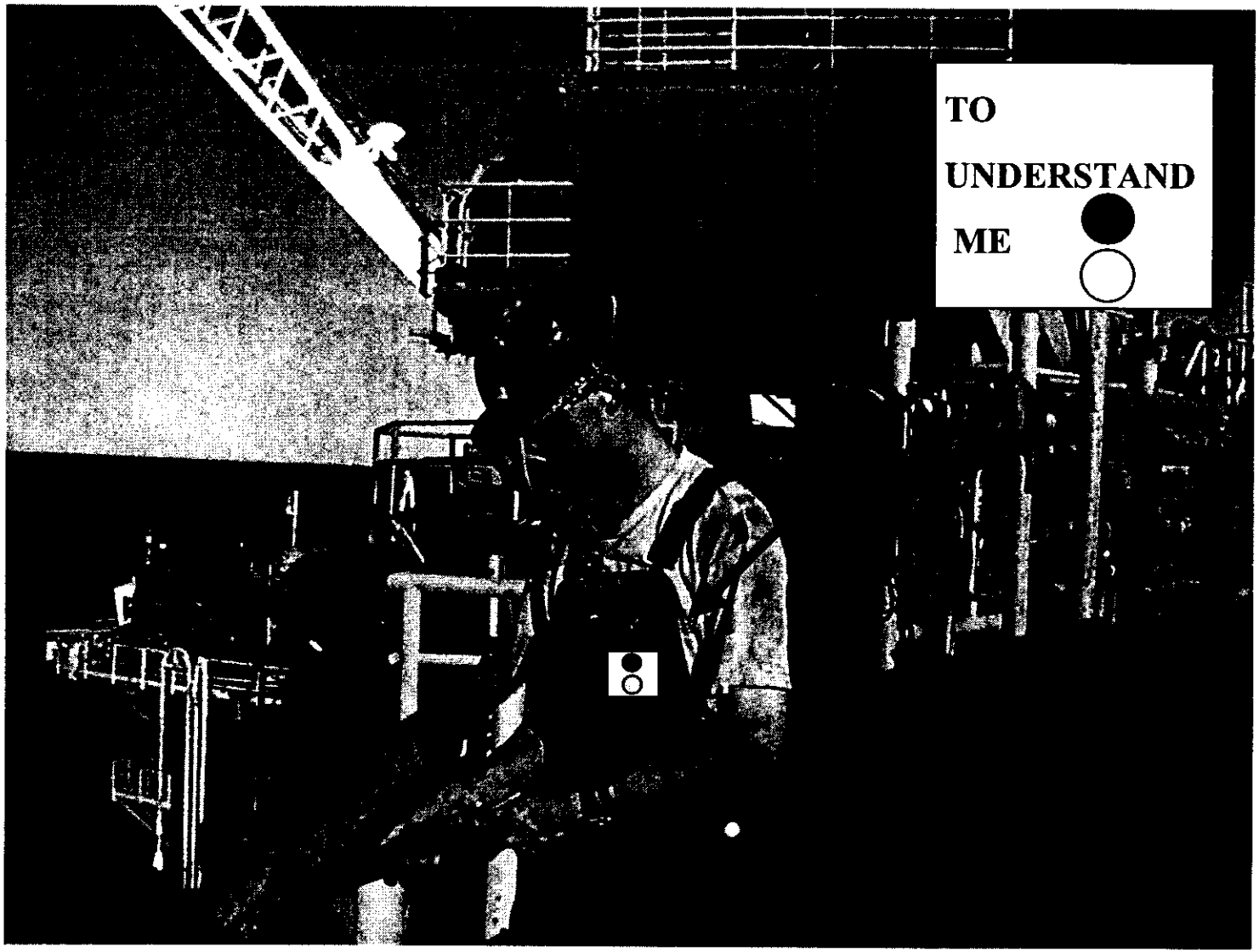

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Basic needs are:

Management buy in and visible support.

Full understanding of individual accountability for the process to work.

Buy in from all in the workforce as they realize that it will work for them.

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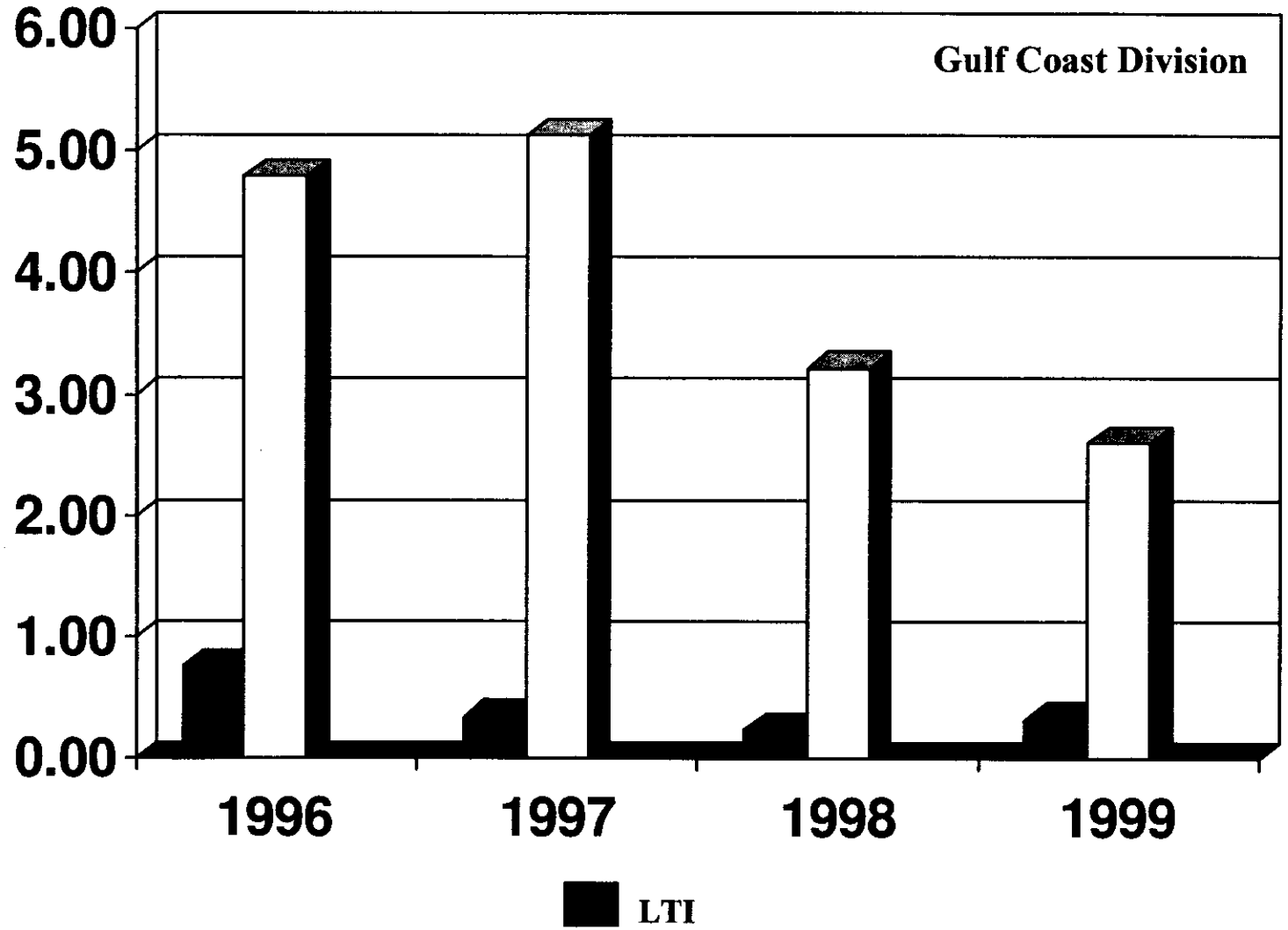

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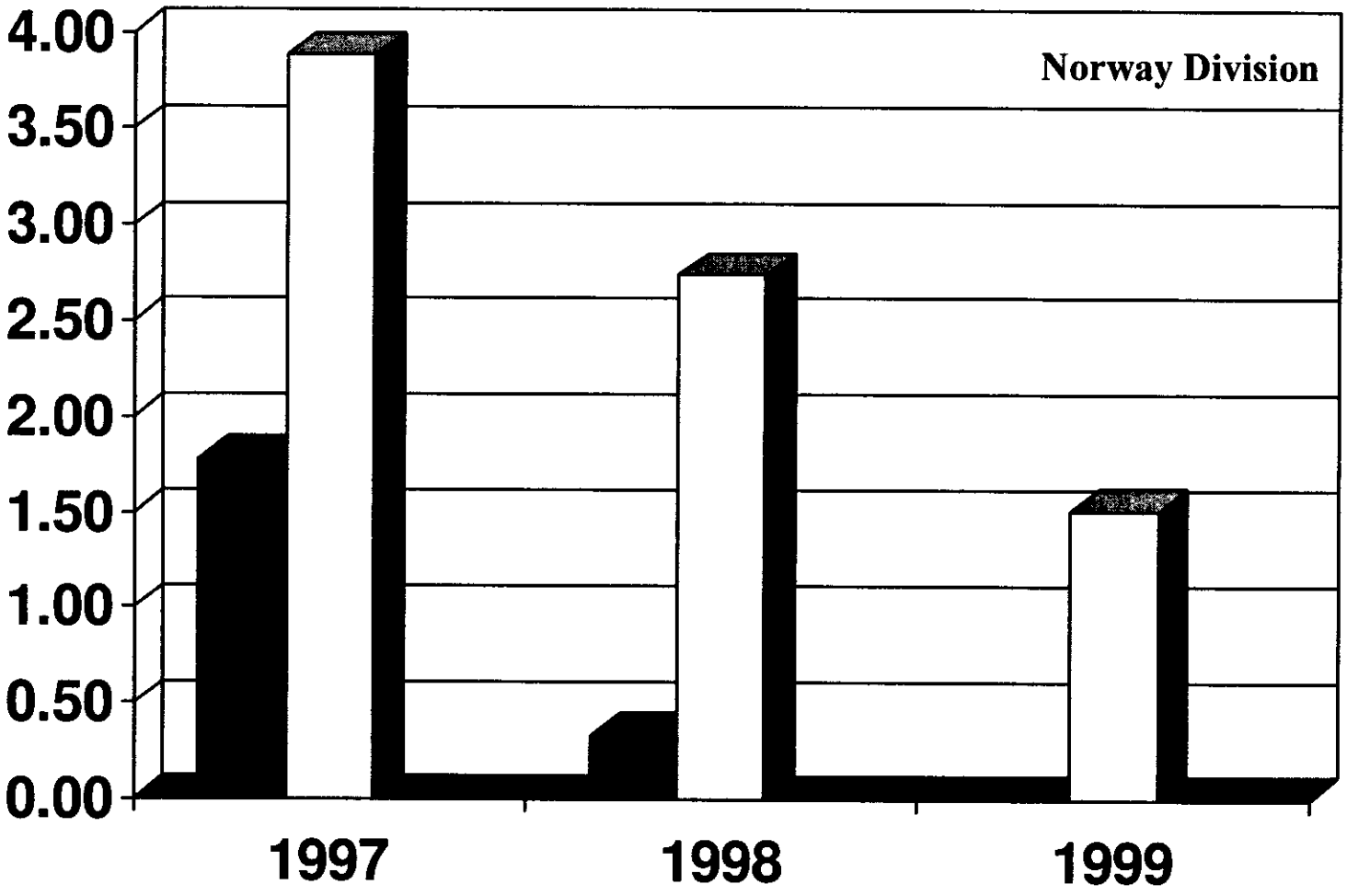

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START to ask questions ? ? ?

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lsenior@deepwater.com

Fax Number 713-232-7777

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SPIRIT ENERGY 76
A Business Unit of Unocal

1999

SEMP Performance Measures & Best Practices Workshop

Oil Spill and NPDES

Pacesetter

Spirit Energy 76
UNOCAL

October 27th and 29th, 1999

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Pacesetter Discussion

- Company Profile
- Discussion
- Closing

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Company Profile

- **GOM Platforms (249)**
  - 120 Major
  - 129 Minor
- **Production (Gross)**
  - 753 MMCF/D
  - 29,000 BOP/D
- **Employees**
  - Direct Staff (70)
  - Facility "Spirit" (220)
  - Facility "Contract" (38)
- **Assets managed in Lafayette, LA.**

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Management

- Leadership commitment to OMS
  - Operations Management System
  - Policies, Procedures and Process
  - Aligned to SEMP/PSM initiatives
  - Includes Personal Performance Standards through out Organization

- Leadership commitment to reporting
  - Field to Agencies (as required)
  - Field to Staff
  - Staff follow-up to Agencies (if required)
  - Staff follow-up to Field

- Leadership Participation in
  - Monthly meetings
  - Incident reviews
  - Measures of Performance Standards

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Management

- Leadership commitment to Support
  - Dedicated H. E. S. & L.C. Staff
  - Centralized Data Collection / Communication
  - Coordinates Activities Company Wide
  - Oversight & Support to Field Functions

- Leadership commitment to Support
  - Dedicated L.C. Field Coordinators
  - Provide Individualized Oversight
  - Reviews all Report Documentation
  - Provides Direct Follow-up or Tracking
  - Shares Critical Information across Groups
  - Frequent Field Presence

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Personnel

➢ Supervisory

- Positions on site
- Leads Daily Pre-work meetings
- Performs Planned Inspections
- Accountable for Action Items
- Makes Required Notifications

➢ Operators

- Include Company and Contract
- Attends Daily Pre-work meetings
- Attends Monthly Training
- All are T-2 Certified
- Accountable for Action Items
- Participate in Problem Idea Proposal Plan

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Programs

➢ Planned General Inspections

- Formalized Checklists
- Reporting of Substandard Conditions
- Requires Action Items
- Daily Pre use Checklists

➢ Preventative Maintenance

- Formalized Documentation
- Prescriptive and Predictive
- Performed by Qualified Personnel

➢ Management of Change

- Documented Process
- High level of Field Involvement
- HA's, What Ifs & Diagram Confirmations

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Programs

➢ Environmental Compliance

- Detailed Manual
- Reporting Requirements
- Release Size Calculation Formula
- Response Actions

➢ Potential Risk Alerts

- Standard Form
- Environmental/Safety/General Risk
- Used by Anyone - Anytime
- Reviewed and Confirmed
- Supervisors - Foremen - Superintendents & Loss Control Field Coordinators

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Programs

➢ Stop and Think

- Basic Questions - Constant Application

➳ Are you following your original work plan?

➳ Are you following Spirit Energy 76 Work Practices?

➳ Do ALL personnel understand the procedures and tools utilized in the work plan?

➳ Have you considered unexpected conditions in your work plan? (e.g. Weather, slippery floors, pinch points, overhead hazards)

➳ Have new / transferred personnel been trained to adequately perform the work task?

. . . Or they new contractors?

➳ Have you considered the effects of your work plan on the operations around you?

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General

- Updated Monitoring Systems
  - Pressures
  - Temperatures
  - Volumes
- Testing
  - Trained in Process
  - Meet or Exceed Regulatory Frequencies
  - Personnel Assigned to Specific Equipment
  - Testing Equipment Maintained in Field
- Vessels
  - Any Equipment Storing Significant Volumes of Hydrocarbon Liquids utilize Solid Containment Skids w/ closed loop drain systems
  - Inspected and cleaned regularly

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Closing

➢ Leadership Promotes
- Zero NPDES Exeedances and Oil Spills
- Goals rewarded
- Group Awards & Banquets
- Individual Awards & Banquets

➢ Employee Awareness
- Training Emphasis on Identifying and Performing "Before It Happens"

➢ Operations Management System
- Culture Since 80's
- Embraces SEMP / PSM
- Total Management System
- Continuous Improvement

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Closing

- Questions ?

- Additional Information . . .

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  Robert.Pettit@unocal.com

- Rick Sisk
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  281-287-5402 - Fax
  Rsisk@ unocal.com

1999 SEMP Performance Measures and Best Practices Workshop

Setting the Pace in Pollution Prevention

October 27th and 29th, 1999

Company Profile - GOMR

- FIELDS: 14
  - 8 MANNED BY COMPANY PERSONNEL
  - 6 UNMANNED, CONTRACT LOOP OPERATED
- PLATFORMS: 24
  - 16 MAJOR
  - 8 MINOR
- GROSS OPERATED PRODUCTION
  - 61,000 BOPD
  - 348 MMSCFD
- FIELD OPERATIONS STAFF: 70

Oil Spill and Pollution Prevention

- VISIBLE AND ONGOING DEMONSTRATION OF COMMITMENT TO PHILOSOPHY AND POLICY OF SPILL AND POLLUTION PREVENTION BY SENIOR MANAGEMENT
  - CORPORATE POLICY STATEMENT
  - ANNUAL CORPORATE EHS REPORT
  - CORPORATE SEMP AUDITS
  - PROVISION OF PREVENTION RESOURCES
  - QUARTERLY REVIEW OF PERFORMANCE

1999 SEMP Workshop
Oil Spill and Pollution Prevention

- MIDDLE MANAGEMENT COMMITTED TO DESIGN AND IMPLEMENTATION OF PREVENTION STRATEGIES
  - SPIRIT OF THE LAW - PROACTIVE VS REACTIVE
  - PERIODIC AND CONSISTENT REENFORCEMENT OF PHILOSOPHY AND POLICY TO FIELD STAFF
  - PERIODIC CHECK OF FIELD STAFF CONFORMANCE AND VALIDATION OF "BUY-IN"
  - MONTHLY REVIEW OF COMPLIANCE PERFORMANCE
  - QUARTERLY SELF INSPECTION
  - INDEPENDENT ANNUAL INSPECTION

- MIDDLE MANAGEMENT COMMITTED TO DESIGN AND IMPLEMENTATION OF PREVENTION STRATEGIES (CONT.)
  - PERIODIC AUDIT OF THIRD PARTY SERVICE PROVIDERS
  - FULL INVESTIGATION OF NON-COMPLIANCE
  - VOLUNTARY SHUT-IN OF PLATFORM TO PLACE IN COMPLIANCE
  - ZERO TOLERANCE POLICY FOR WILLFUL VIOLATION OF LAW

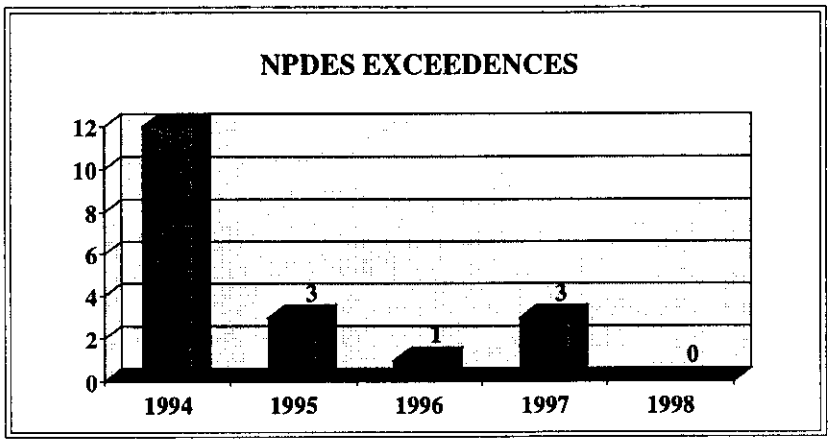
1999 SEMP Workshop
Oil Spill and Pollution Prevention

- FIELD STAFF COMMITTED TO EXECUTION OF PREVENTION STRATEGIES AND PROCEDURES
  - COMMITMENT TO FULL AND ACCURATE REPORTING
  - ANNUAL MEETING WITH SENIOR FIELD STAFF TO PRESENT AND DISCUSS PREVENTION RECORD
  - FULL FIELD AUTHORITY FOR PREVENTION ACTION INCLUDING COMPLETE SHUT-IN OF PRODUCTION
  - SHOREBASE STAFF FIRST LINE OF DEFENSE FOR POLLUTION PREVENTION ASSOCIATED WITH OUTBOUND EQUIPMENT AND SUPPLIES
  - REFUSAL TO ACCEPT REPEAT FAILURES OF PROCESS SAFETY DEVICES

Achieving Consistent NPDES Compliance

- APPROPRIATE PROCESS EQUIPMENT
- EFFICIENT CHEMICAL PROGRAM
- TRAINED AND EMPOWERED FIELD STAFF
- TIMELY AND FREQUENT REPORTING
- PRODUCED WATER MONITORING PROGRAM

1999 SEMP Workshop
Achieving Consistent NPEDS Compliance



- APPROPRIATE PROCESS EQUIPMENT
  - PROPER DESIGN AND CAPACITY
  - GOOD MAINTENANCE
  - PHASE OUT SKIM PILES
  - SEPARATE SUMP SYSTEM FOR DECK DRAINAGE
- EFFICIENT CHEMICAL PROGRAM
  - REDESIGNED CHEMICAL PROGRAM
  - SINGLE SOURCE OF SUPPLY AND SERVICE
  - ONSITE TESTING AND TECHNICAL SUPPORT
  - INDEPENDENT MONITORING
  - PERIODIC PERFORMANCE REPORT
  - PREPARATION FOR NON-STANDARD CONDITIONS

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Achieving Consistent NPDES Compliance

- TRAINED AND EMPOWERED FIELD STAFF
  - NPDES SAMPLING PROCEDURE
  - PRODUCED WATER MONITORING PROGRAM
  - PROMPT REPORTING OF PROCESS PROBLEMS
  - USE OF ALL AVAILABLE COMPANY RESOURCES
- TIMELY REPORTING AND REPORT ANALYSIS
  - MONTHLY NPDES REPORT
  - PRODUCED WATER MONITORING REPORT
  - PROCESS VESSEL EFFICIENCY ANALYSIS
  - TREND ANALYSIS

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- PRODUCED WATER MONITORING PROGRAM

  THE SYSTEMATIC ROUTINE EVALUATION OF PRODUCED WATER DISCHARGE FOR THE SPECIFIC PURPOSE OF....

  (1) CONFIRMING COMPLIANCE WITH NPDES LIMITATIONS OR....

  (2) EFFECTING CHANGE TO MAINTAIN COMPLIANCE WITH NPDES DISCHARGE LIMITATIONS

- MONITORING PROGRAM - NORMAL CONDITION
  - DAILY SAMPLING - FINAL DISCHARGE POINT
  - WEEKLY SAMPLING - PROCESS VESSELS
- MONITORING PROGRAM - ABNORMAL CONDITION
  - NOTIFY FOREMAN
  - REVIEW PROCESS OPERATING CONDITIONS
  - VERIFY CHEMICAL INJECTION RATES
  - INITIATE PROCESS VESSEL SAMPLING AS REQUIRED
  - 2 HOUR SAMPLING - FINAL DISCHARGE POINT
  - >24 HOURS - SYSTEMATIC SHUT-IN OF WELLS
  - >24 HOURS - 1 HOUR SAMPLING FINAL DICHARGE POINT

Summary - Key Elements of Spill and Pollution Prevention

- COMMITMENT OF STAFF AT ALL LEVELS TO PREVENTION AS INTEGRAL PART OF OPERATIONS
- COMMITMENT OF RESOURCES TO ACHIEVE PREVENTION
- PROACTIVE - FOCUS ON SPIRIT OF THE LAW
- FIELD STAFF TRAINING, EMPOWERMENT AND "BUY-IN"
- DISCIPLINED USE OF FORMAL PRODUCED WATER MONITORING PROGRAM

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1999 SEMP Performance Measures and Best Practices Workshop

Setting the Pace in Pollution Prevention

HESS

Bill Anderson
Telephone: (713) 609 5550 Fax: (713) 609 5670
E-mail: wanderson@hess.com


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Pre-Inspection Activities

Notification

Inspection Type

Facility Activities

Personnel

Transportation

INC. Review

Pre-Inspection

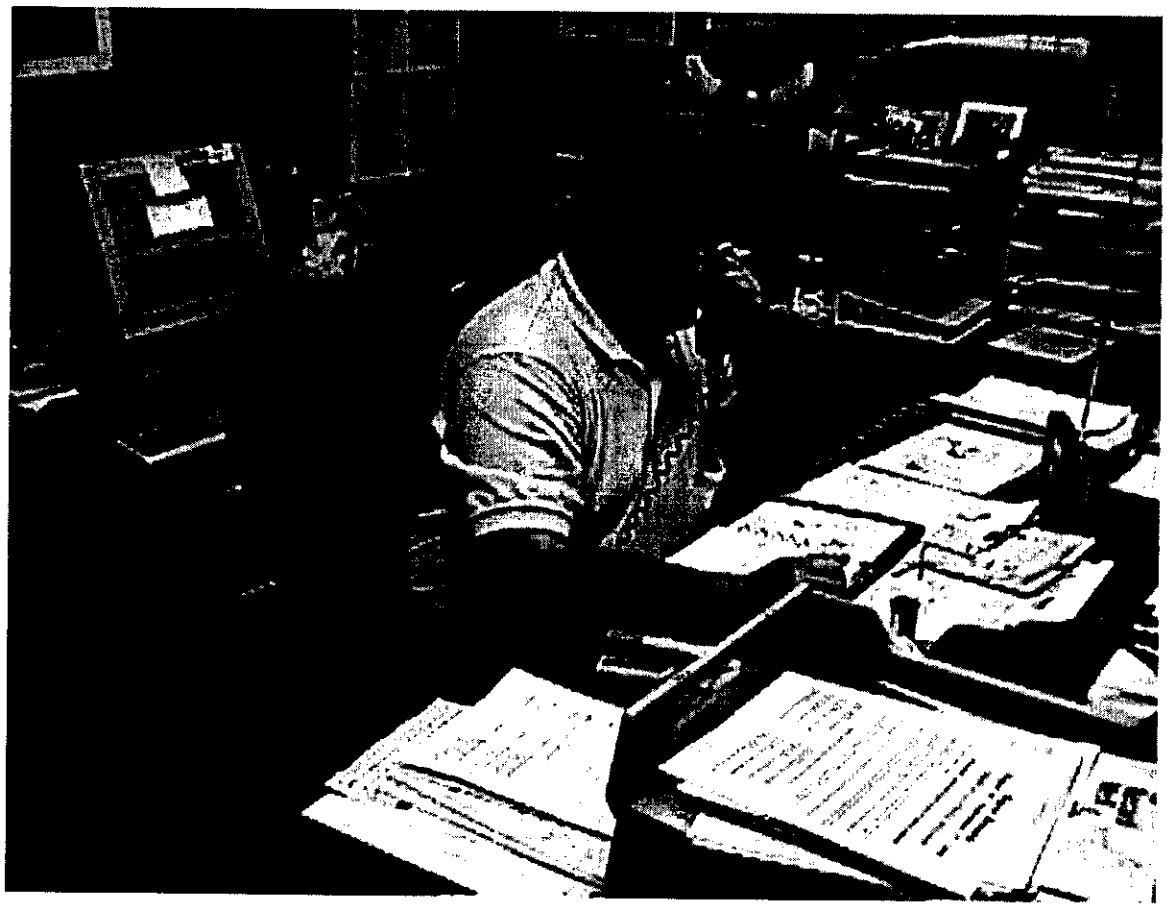
House Keeping

Maintenance

Paperwork

MMS

Notification



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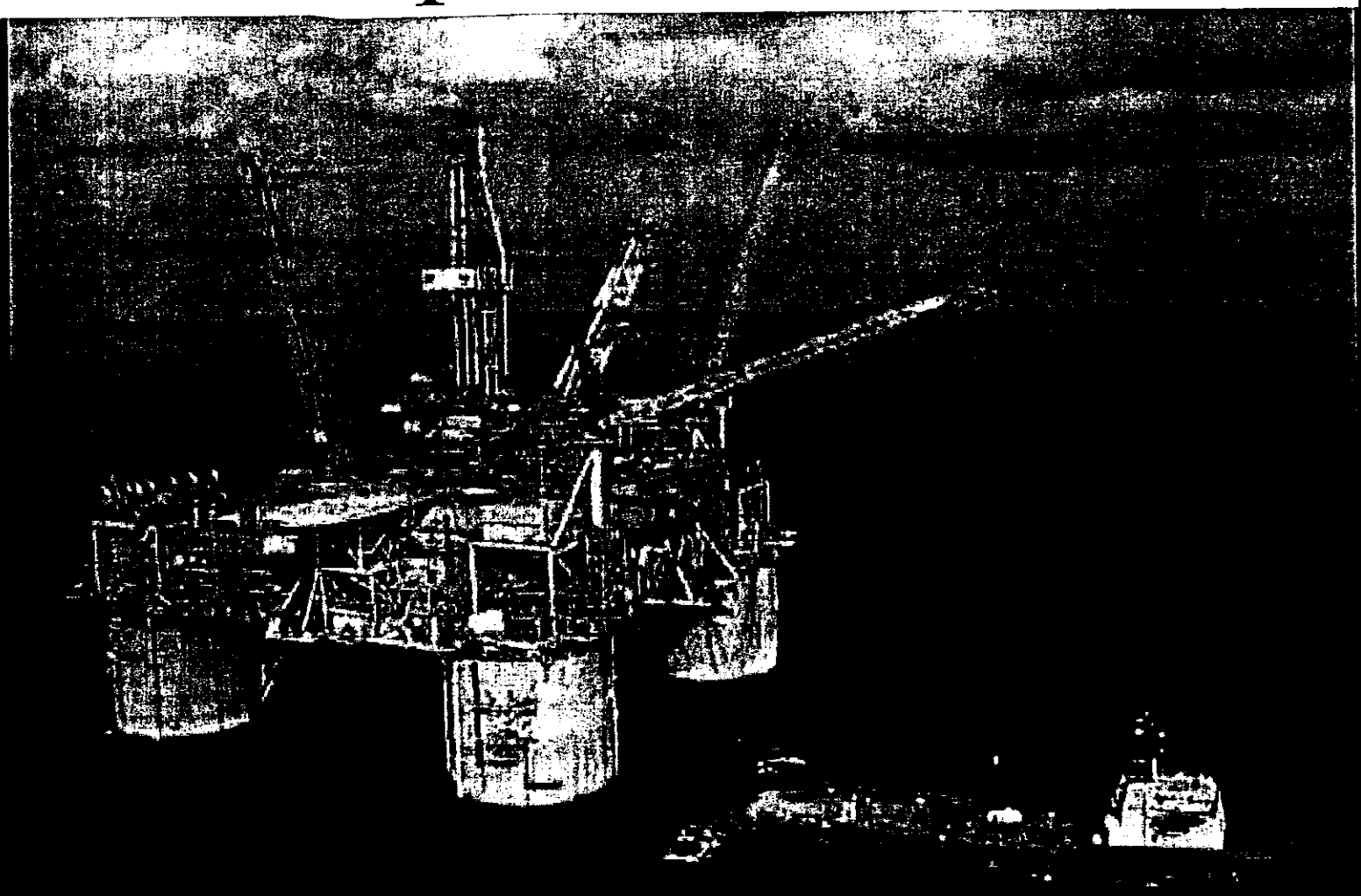
Inspection Type



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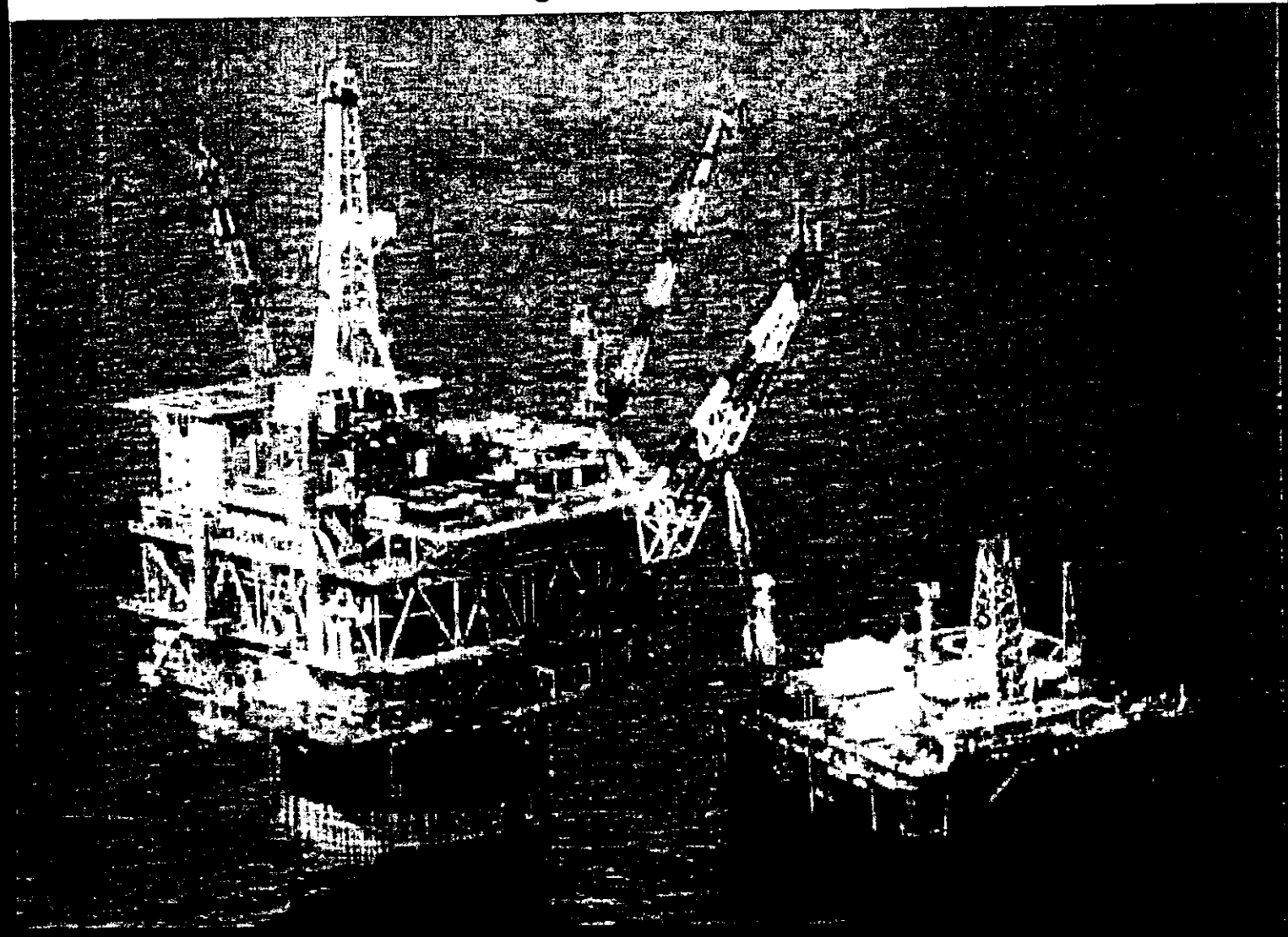
Facility Activities



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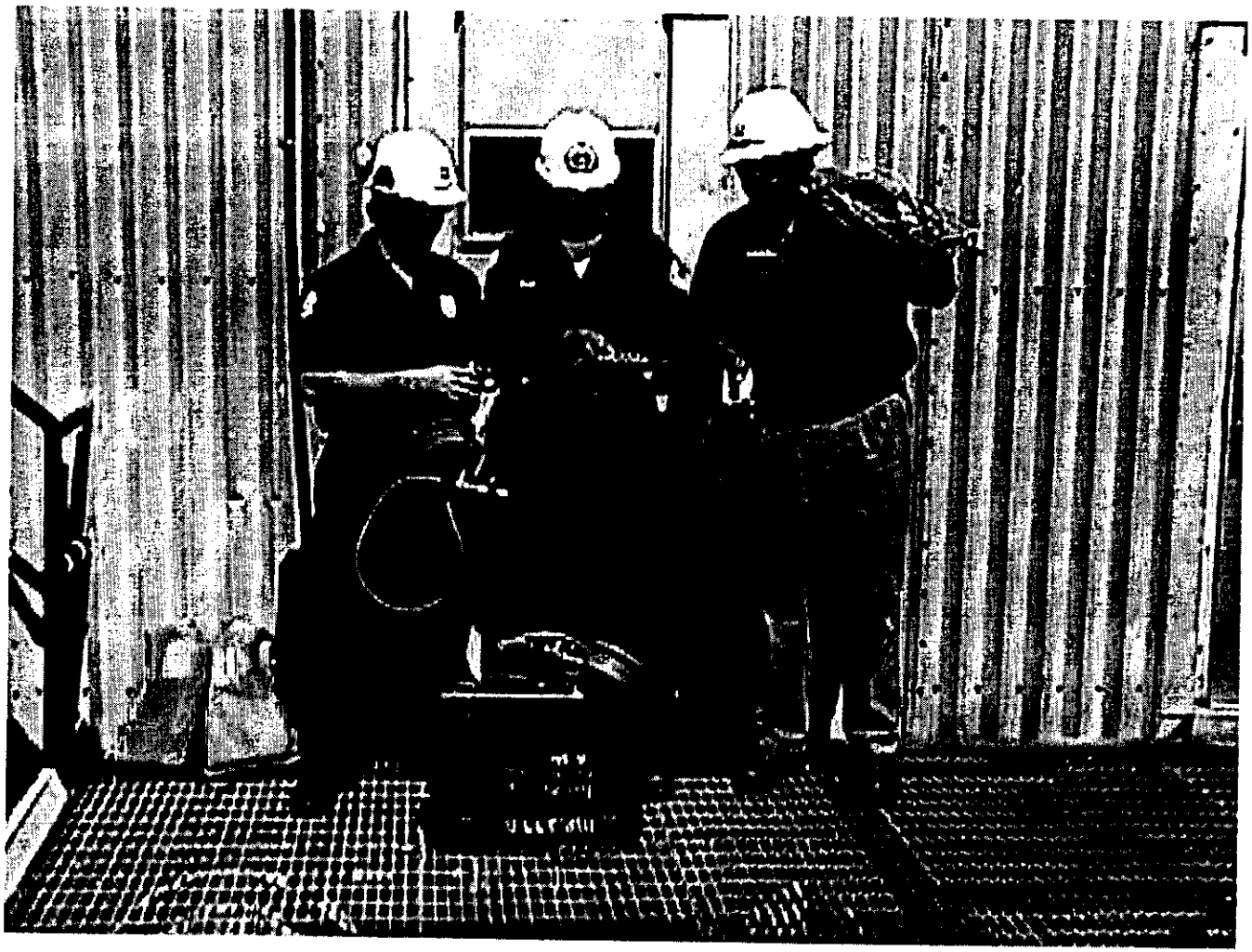
Personnel

MMS

Personnel
(Cont..)



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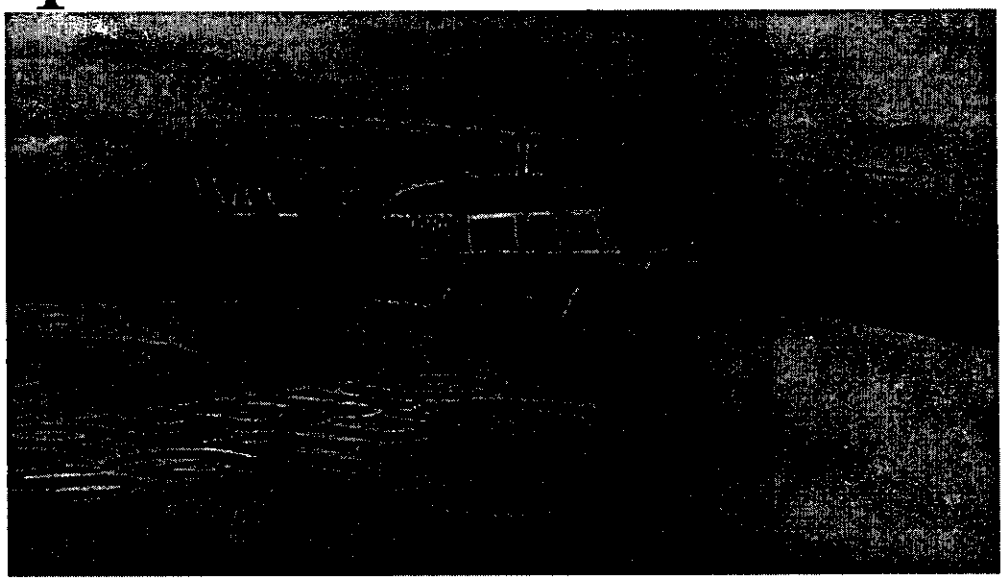
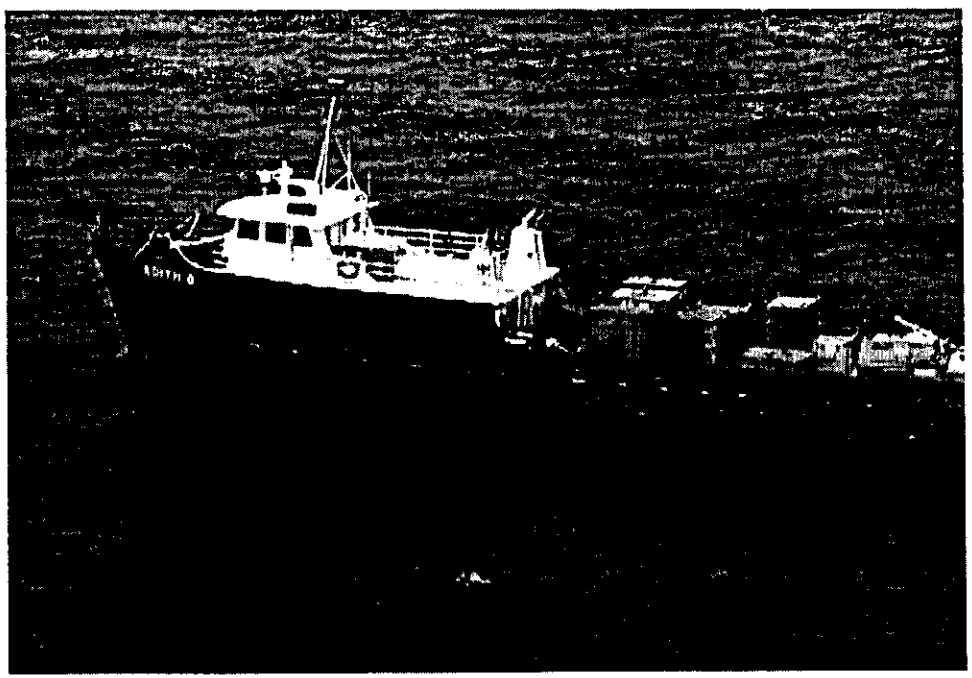
Transportation





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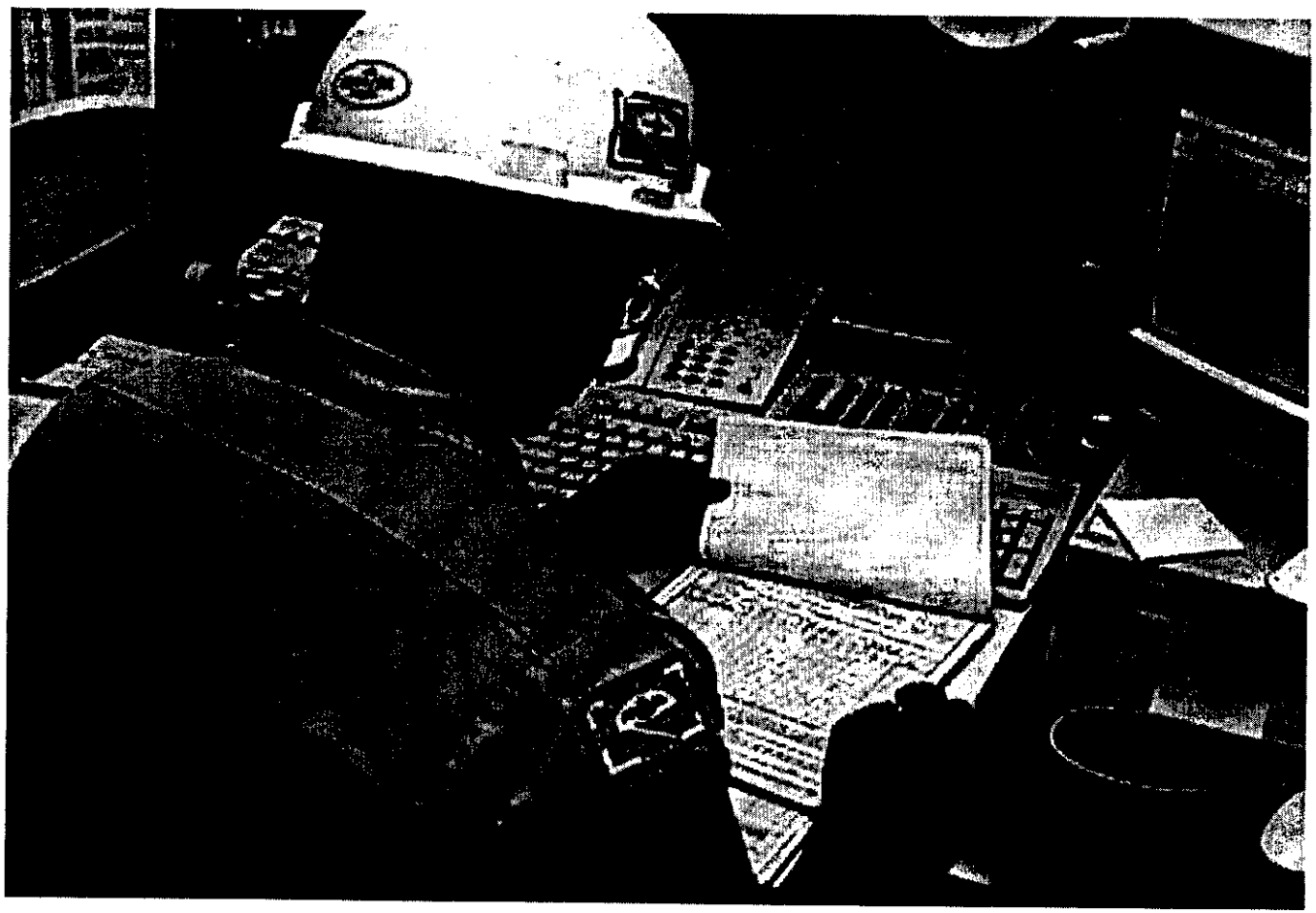
Review of Previous INC.'s



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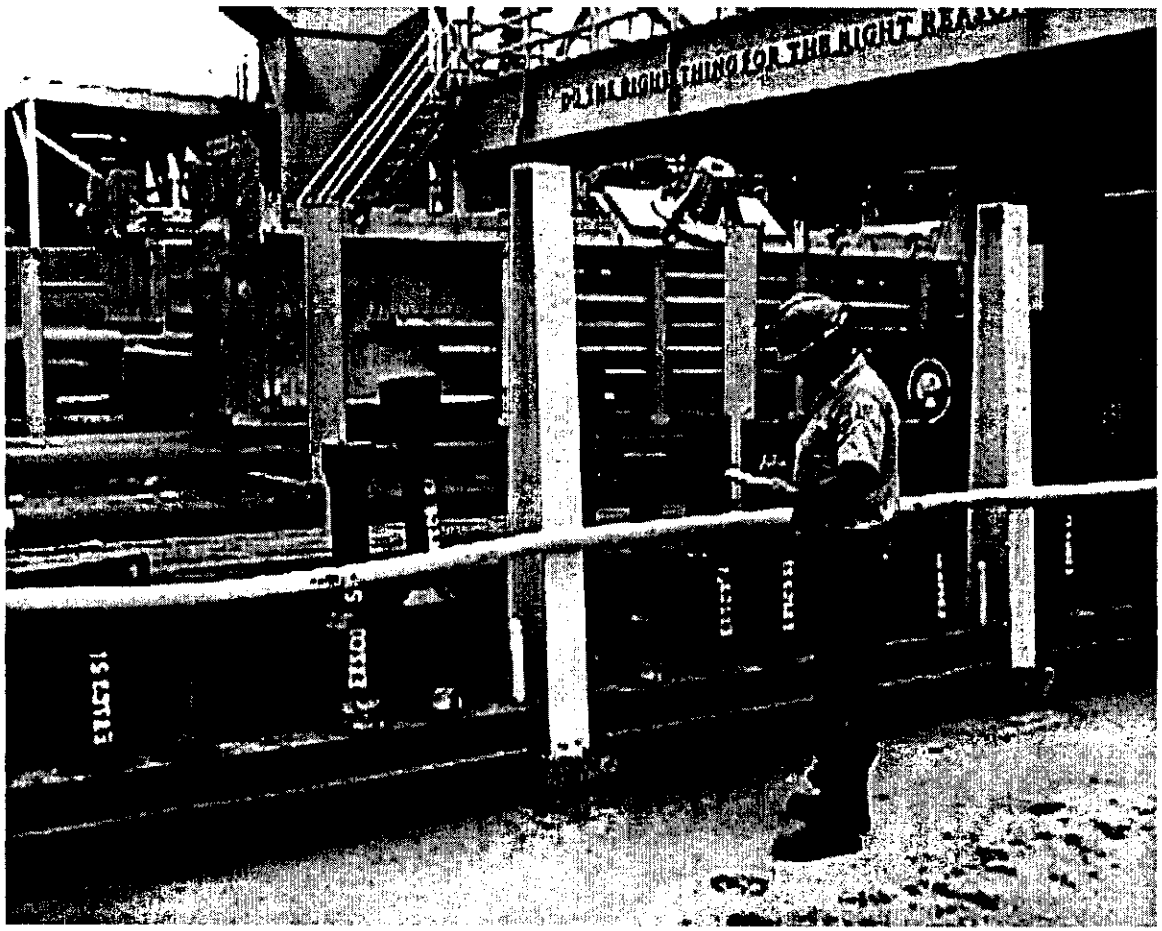
Pre-Inspection



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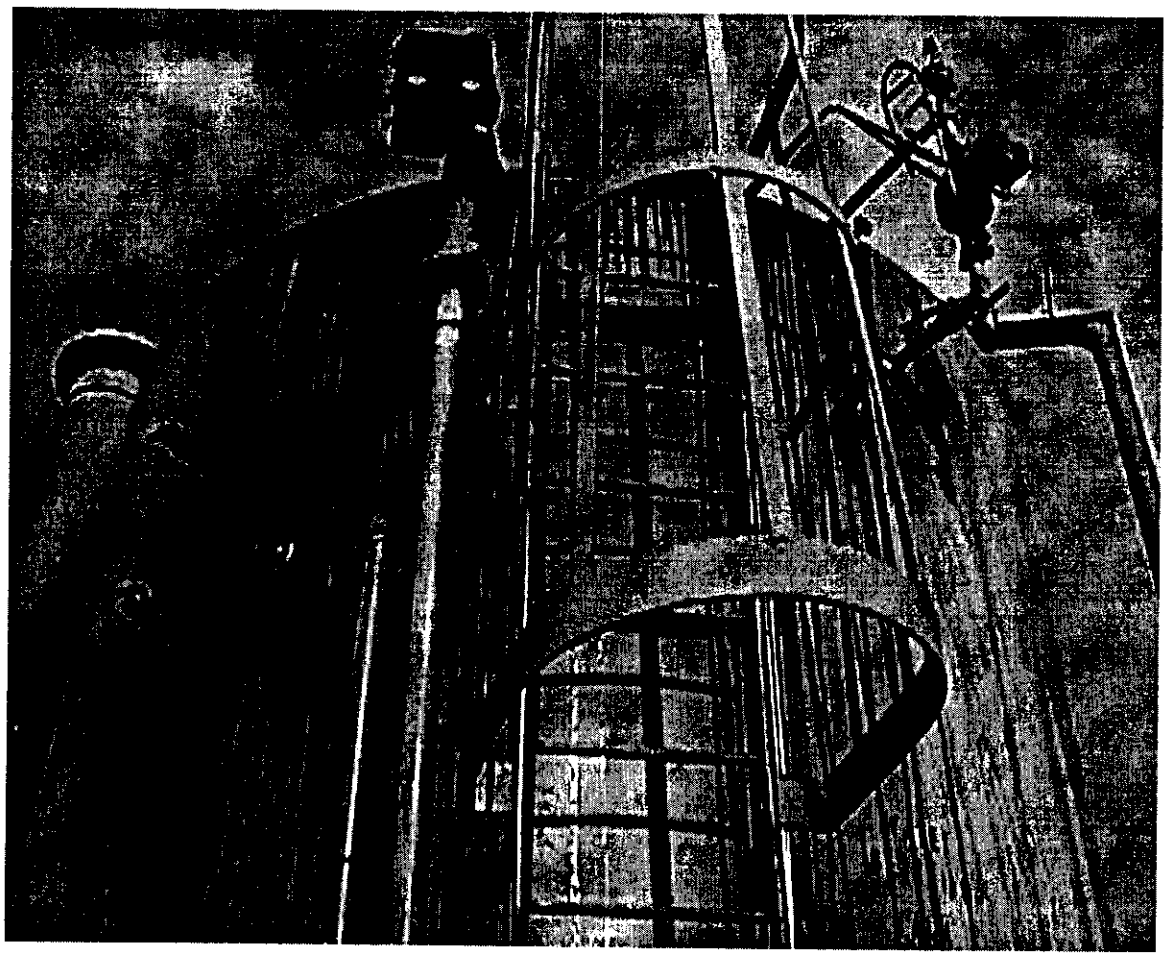
House Keeping



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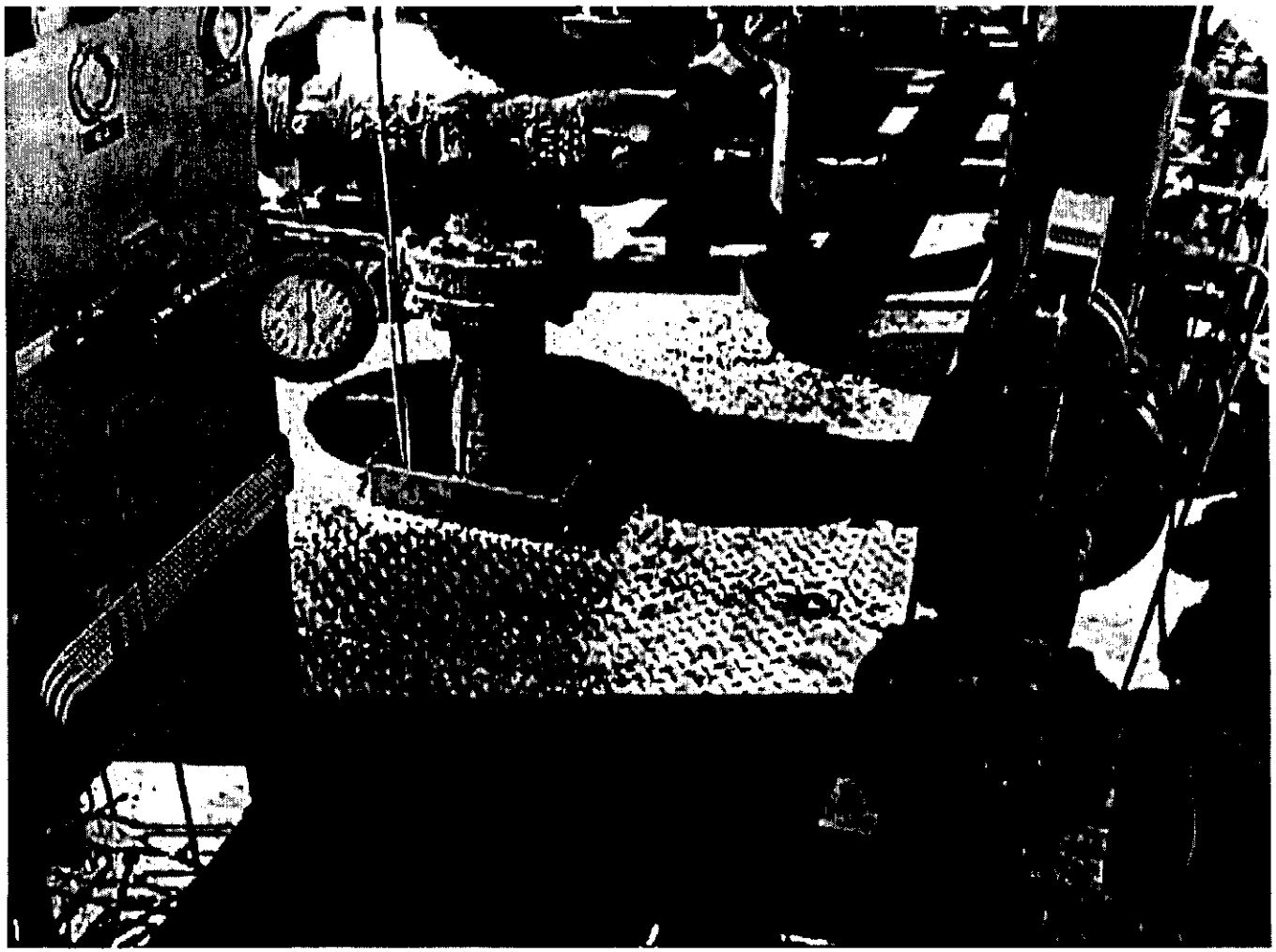
House Keeping
(Cont..)



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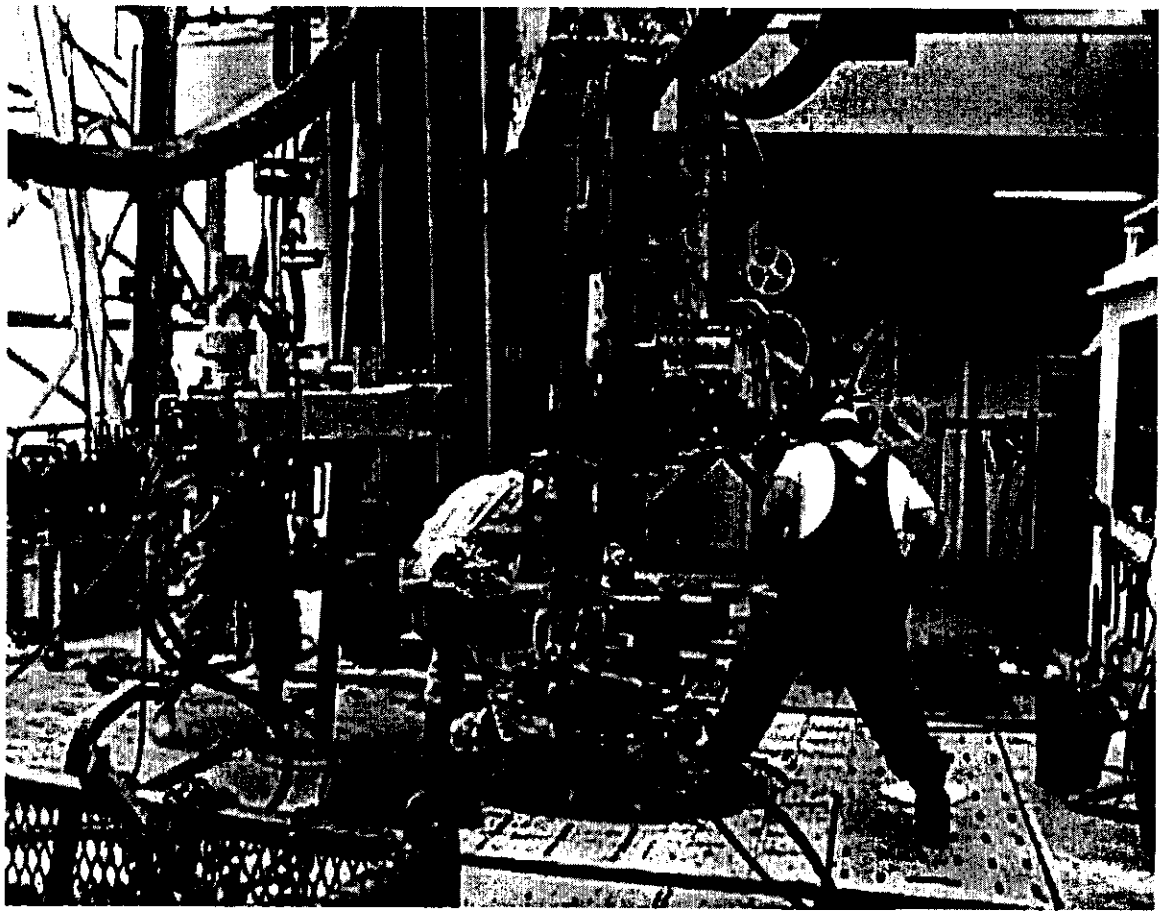
House Keeping (Cont.)



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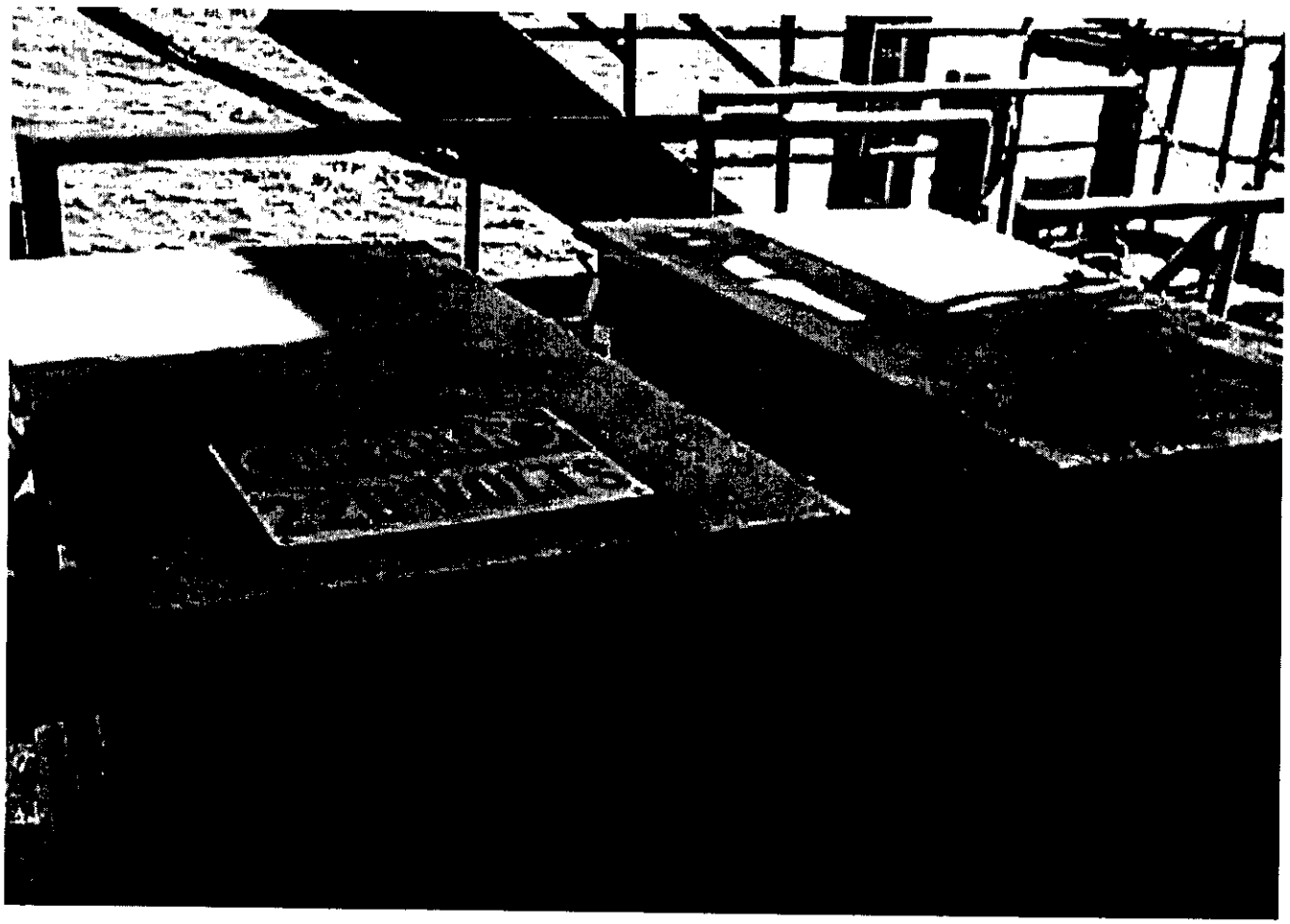
Maintenance



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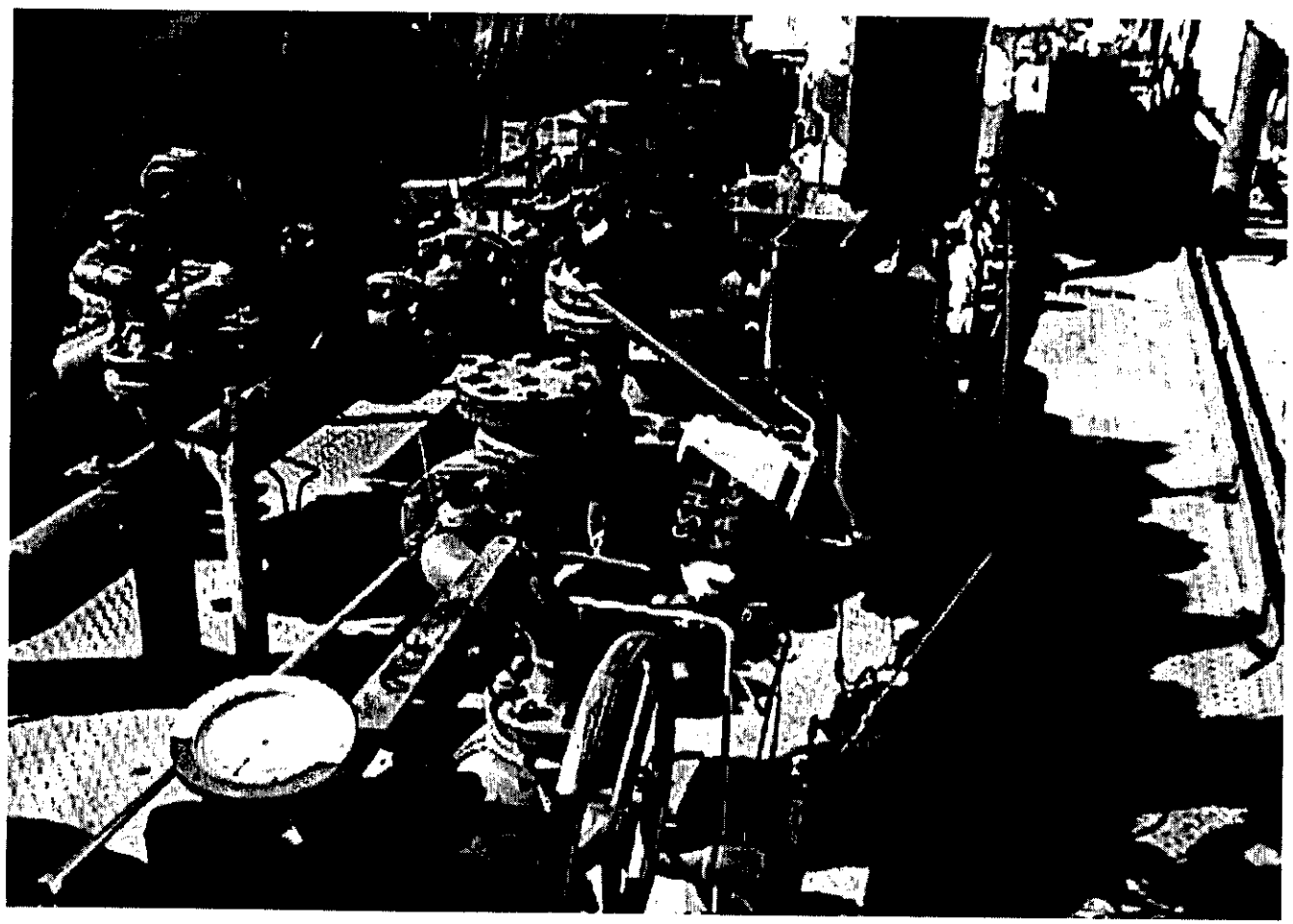
Maintenance
(Cont.)



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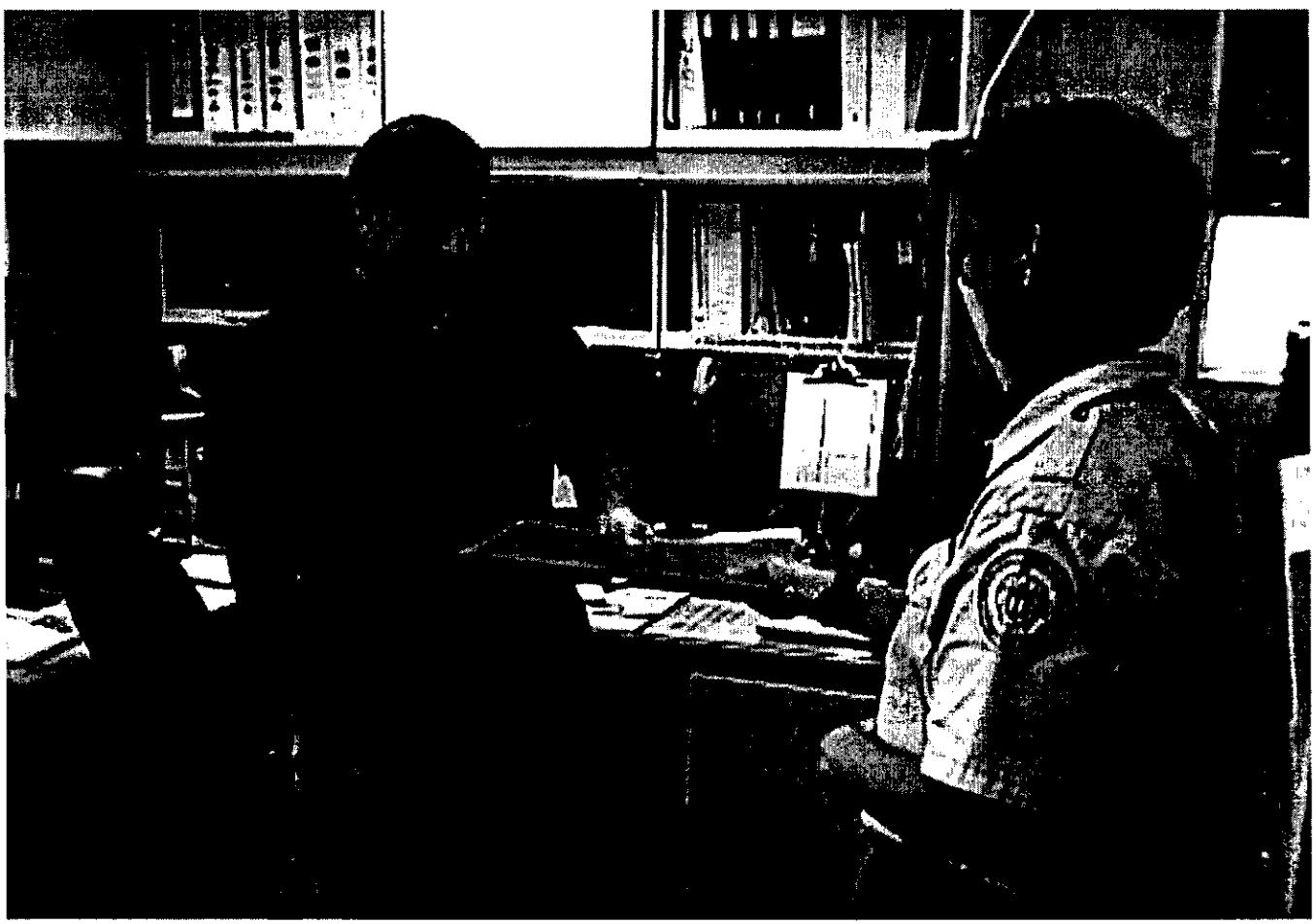
Paperwork



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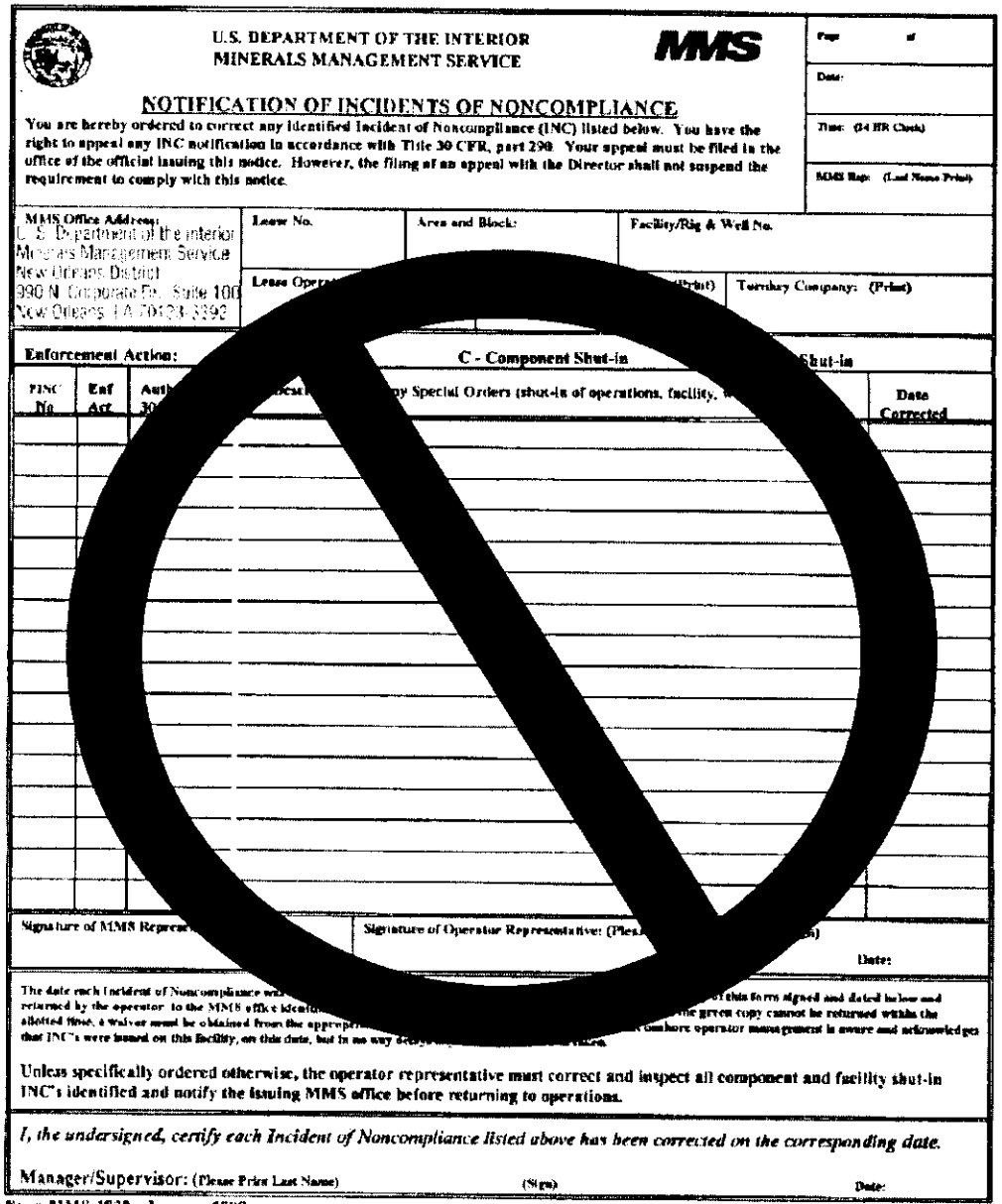

U.S. DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

MMS

Page of

Date:

Time: (24 HR Clock)

MMS Rep: (Last Name Print)

NOTIFICATION OF INCIDENTS OF NONCOMPLIANCE

You are hereby ordered to correct any identified Incident of Noncompliance (INC) listed below. You have the right to appeal any INC notification in accordance with Title 30 CFR, part 290. Your appeal must be filed in the office of the official issuing this notice. However, the filing of an appeal with the Director shall not suspend the requirement to comply with this notice.

MMS Office Address:
U.S. Department of the Interior
Minerals Management Service
New Orleans District
990 N. Corporate Dr., Suite 100
New Orleans, LA 70123-3292

Lease No.

Area and Block:

Facility/Rig & Well No.

Lease Operator (Print)

Tuesday Company: (Print)

Enforcement Action:

C - Component Shut-in

Shut-in

INC No.	Enf Act	Auth 30	Location	Special Orders (shut-in of operations, facility,	Date Corrected

Signature of MMS Repres

Signature of Operator Representative: (Plea

Date:

The date each Incident of Noncompliance was

of this form signed and dated below and returned by the operator to the MMS office identi

the green copy cannot be returned within the allotted time, a waiver must be obtained from the appropri

Onshore operator management is aware and acknowledges that INC's were issued on this facility, on this date, but in no way

Unless specifically ordered otherwise, the operator representative must correct and inspect all component and facility shut-in INC's identified and notify the issuing MMS office before returning to operations.

I, the undersigned, certify each Incident of Noncompliance listed above has been corrected on the corresponding date.

Manager/Supervisor: (Please Print Last Name) (Sign) Date:

Form MMS-1832 - January 1998
(Supersedes Form MMS-1832, March 1996). ORIGINAL COPY

Your comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the actions of MMS call 1-888-REG-FAIR (1-888-734-3247).

U.S. GPO 1998-432-859/51200

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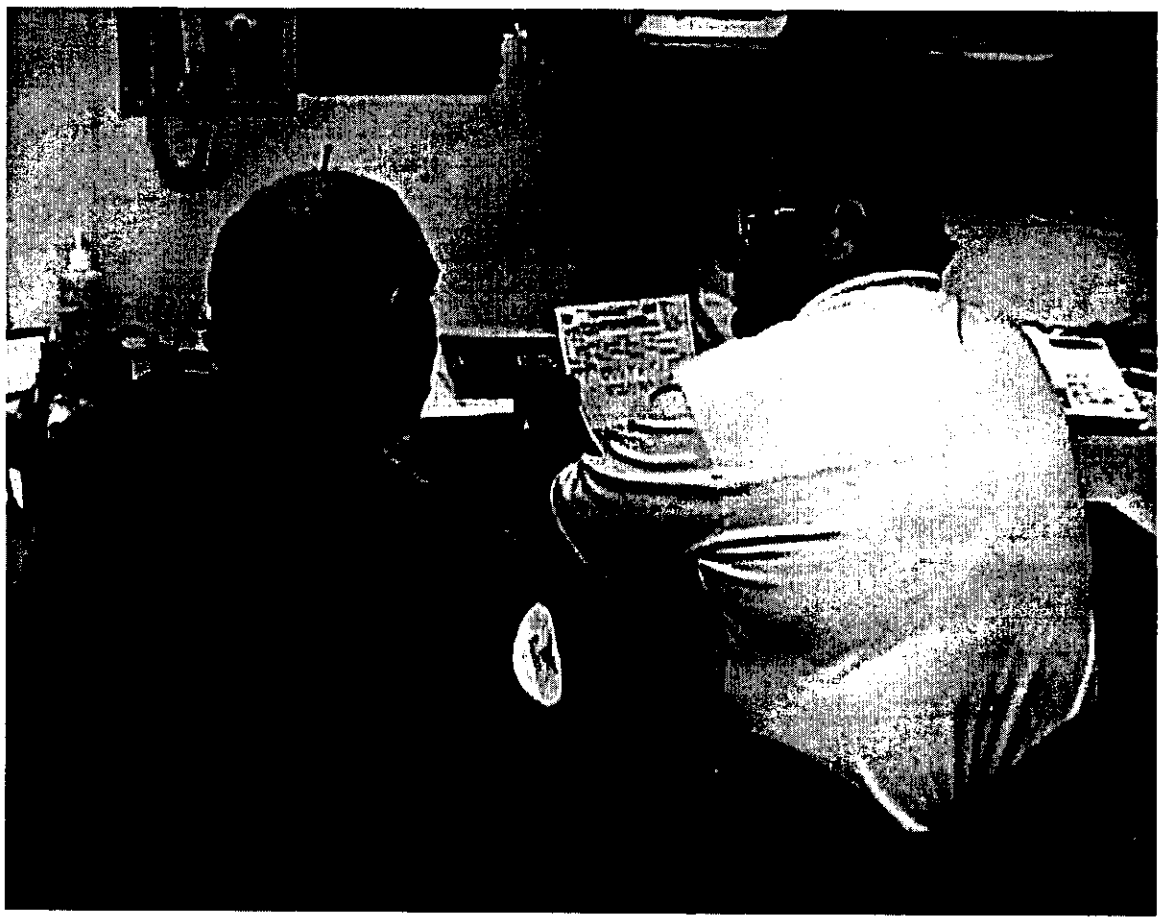
INC.'s ?



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Thank You

Inspection Types

- Primary Inspections
- Secondary Inspections

Primary Inspections

- Sampling
- Production Complete
- Production Partial
- Drilling
- Workover
- Pipeline
- Accident Investigation
- Onshore Meter

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Secondary Inspections

- (Always conducted in conjunction with a primary inspection)
- Environmental
- Flaring
- H2S
- Abandonment
- Completion
- Wireline

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Top Five Production INC.'s

- G-110 Safe and workmanlike operations
- P- 406 Operable FSV installed in final flowline segment
- P- 412 Operable SSV or USV located above the master valve in the vertical run

Top Five Production INC.'s
(Cont..)

- G-116 Operations conducted in accordance with approved plans
- P-240 ESD activation initiate shut down of wells or other process components

Top Five Rig Activity INC.'s

- G-110 Safe and workmanlike operations
- D-250 BOP components successfully tested to a low pressure of 200 psi to 300 psi prior to conducting high pressure tests
- G-231 Electrical installations made in accordance with API RP 500B and API RP 14F

Top Five Rig Activity INC.'s Cont.

- G-251 Skid mounted equipment, portable containers, spool or drums, and drums clearly marked with owner's name
- E-102 Facility equipped curbs, gutters, and drip pans to collect all contaminants not authorized for discharge

New PINC.'S: G-111 & G-112

- G-110 Two additional PINC's were added to the G-110 category to address specific issues:
- G-111 Does lessee maintain equipment in a safe condition to provide for the protection of the lease and associated facilities

New PINC.'S: G-111 & G-112 (Cont.)

- G-112 Does the lessee provide for the safety of all personnel and take all necessary precautions to correct and remove any hazardous oil and gas accumulations or other health, safety, or fire hazards.

INC.'s Referred for Civil Penalties

- P-103 Bypassing of surface and subsurface safety devices
- G-110 Safe and workmanlike operations
- P-283 Tubing plug checked every 6 months for leakage
- P-280 SCSSV checked every 6 months for leakage

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INC.s Referred for Civil Penalties (Cont.)

- P-313 Each PSV tested for operation every 12 months

INC. Appeal Process

- Informal resolution
- Formal appeal

Uses of INC. Data

- Compliance history dictates inspection frequency
- Performance measures
- Annual performance review topic
- Suspension of operations or debarment criteria
- SAFE Award criteria

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Uses of INC. Data
(CONT.)

- Useful information for potential buyers
- Public information

Inspection Consistency Efforts

- Teams established to develop/insure inspection consistency
- Follow-up inspections performed by district and regional personnel
- 0ngoing monthly meetings and teleconferences
- Input from industry

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Is there an INC. Quota??

Absolutely Not!!

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For Additional Information and Statistics Visit Our Website

www.gomr.mms.gov

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Thank You